Migrants and Access to Financial Services:

Exploring alternative financial services available to Zimbabwean migrants who have no access to formal financial services in South Africa

By

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Declaration

I declare that this dissertation, which I hereby submit for the degree MSocSci Development Studies at University of Pretoria is my own work and has not been previous submitted by me for a degree at another university.

Student's signature: ……………………………………. Date: ………………….

Supervisor's signature : ……………………………………. Date: …………………...

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Table of Contents

Abstract

This study explores the issue of migrants and their access to financial services. It focuses on Zimbabwean migrants in South Africa and the alternative financial services available to those who do not have access to formal financial services. Most Zimbabwean migrants in South Africa are economic migrants who migrated with the intensions of utilising the better economic opportunities available in South Africa. Even though Zimbabwe has a long history of migration to South Africa the economic crises in the post 2000 error has triggered a huge increase in the 'flow'[1] *of the number of migrants into South Africa. The demographic profile of the migrants has changed overtime from mainly male skilled migrants to including both male and females who are skilled professionals, semi-skilled and unskilled workers. They all have one thing in common which is the search for better economic opportunities to improve and maintain a good quality of life. Financial services are an important aspect in them achieving their goals upon migration. These services are crucial in maintaining a good life, as they need them to perform transactions such as paying bills, credit, remittances and saving.*

However due to their legal status and other challenges such as regulations, costs, trust, location, knowledge and product design many Zimbabwean migrants are excluded from the mainstream financial sector. This forces them to rely on alternative services provided in the informal sector. Several efforts and mechanisms go into making use of these including relying on one's social networks and relatives. They are not only a source of information but can provide a needed service themselves or access to it. These alternative financial services are well suited for these financially excluded migrants due to their accessibility and the minimum requirements and regulation in the sector. However, this does not mean that they are perfect as migrants do face challenges when making use of these services, but have no choice due to their desperate situation. The study pays great attention to the utilisation of these alternative services and the challenges that migrants face when making use of them and the solutions adopted if there are any.

The study concludes that adjustments in migration policy need to be by introducing a new stable project to replace ZSP. This should enable migrants to easily renew their permits and deal with the issue of uncertainty. Additionally, those migrants that have been under the ZSP project that are past the qualification period for permanent residence should be granted their permanent residence. With regards to the financial sector an easing of requirements such as credit histories should be made to allow those with valid documents such as passports to access services in the mainstream sector. It is important to note that the existence of an informal financial sector is not only a good market opportunity for those in the mainstream financial sector, but it is also a great contribution to the South African economy. Thus, it is worthwhile including these financially excluded migrants into the mainstream financial sector as it not only benefits the migrants but also benefits the country.

[1] Some scholars have argued against the use of aquatic metaphors such as waves, flows, flood stating that they are responsible for the upsurge in xenophobia as the native population will start to believe that their livelihood is under threat from the foreigners.

List of Acronyms

ESAP - Economic Structural Adjustment Programme

IMF- International Monetary Fund

IOM- International Organisation for Migration

ITIN – Individual Taxpayer Identification Number

MTA- Money Transfer Agent

ROCSA- Rotating Credit and Savings Association

TIP- Temporary Import Permit

UK- United Kingdom

UN- United Nations

USA- United Stated of America

WNLA Witwatersrand Native Labour Association

ZSP- Zimbabwe Special Permit Programme

ZDP – Zimbabwe Special Dispensation permit

List of Diagrams and Figures

Chapter 1

Introduction

1.1. Introduction

This research is about migrants and access to financial services. It focuses on Zimbabwean migrants in South Africa and the challenges they face in accessing formal financial services, and the alternatives available to them. Mainly as a result of their legal status in the country some migrants are excluded from the formal financial sector and are thus forced to come up with different strategies in order to have access to financial services they so desperately need. These enable them to execute their financial transactions, which include but are not limited to paying bills, obtaining credit, sending or receiving remittances from their home countries among many others. This chapter serves as an introduction to the study and sets out the research problem. In a country like South Africa, where the migrant population keeps growing, the study carries some significance to the financial sector since migrants present a missed opportunity.

1.1.1 Background to the study

Access to financial services is crucial for one to maintain a good life. Thus, migrants who cannot access these are at risk of being impoverished resulting in them being social excluded. This study focuses on the alternatives available to migrants who cannot access formal or mainstream financial services. Migrants face various challenges when it comes to accessing formal financial services and these stem from social, economic and political factors. Literature points out a number of factors that present barriers to migrants in accessing formal financial services in the receiving country. The first is that most financial service providers do not have bilingual staff, which presents a challenge for foreign migrants. Language barriers thus prevent migrants from accessing financial services as they are unable to communicate with the staff at these institutions (Anderloni & Vandone, 2018, p. 17). This also means that they will not have adequate access to information regarding the products and services available to them and what would be most suitable for them (Datta, 2009, p. 332). Thus, language barriers present a huge challenge for migrants in accessing mainstream financial services.

The second has to do with documentation required by most financial service providers. Most financial service providers require a lot of documents such as passports, visa/permits and proof of residence, which may be in the form of utility bills before granting migrants access services such as a bank account (Bloomberg & Mintz, 2013; Datta, 2009). This is a challenge faced by most migrants who may not have the required visas and passports as well as not having proof of residence as they may be living with somebody else and cannot get a utility bill in their name (Datta, 2009, p. 335). Therefore, migrants are sometimes unable to access financial services due to inadequate documentation, which is a problem that cannot be easily solved by them.

The third concerns the lack of trust where, migrants do not access financial services due to their distrust of banks for example. It has been reported that some migrants prefer to make all their transactions in cash instead of using a bank account (Datta, 2009; Lindquist et al., 2018). This distrust of financial service providers by migrants is a form of self-imposed financial exclusion as their exclusion is due to individual choice and not circumstances (Datta, 2009). Financial service providers need to work on gaining the trust of these migrants by proving that the benefits of using their services outweigh the benefits of using other alternative informal services.

Another challenge that hinders migrants from being integrated into the mainstream financial service is public pressure and widespread criticism of financial service providers who cater for undocumented migrants (Lindquist et al., 2018)). Some banks in the USA have been criticised for offering their services to migrants with no social security numbers (Bellamy, 2007). They allow migrants to use their Individual Taxpayer Identification Numbers (ITIN) instead of the normal social security numbers to open bank accounts and access credit (Bellamy, 2007; Lindquist et al, 2018). This is a serious challenge for migrants as financial service providers may be willing to integrate them into the mainstream financial service, but are unable to do so due to public pressure, and also this has legal implications as this may be seen as aiding ‘illegal behaviour’ (Lindquist et al., 2018). A good example of this is the Bank Calumet, which received widespread backlash for issuing mortgage loans to Hispanic migrants using their ITINs. This was viewed as treasonous and a give-away to illegal immigrants by locals (Bellamy, 2007).

The Bank Calumet saw these migrants as individuals whilst the locals saw them as a faceless crowd of undocumented migrants (Bellamy, 2007). This points out to social exclusion as the perceptions locals had of migrants being served by Calumet resulted in them not allowing the bank to integrate these migrants into mainstream financial services. It should be noted that this may also negatively impact these financial institutions in the long run as they may lose other local loyal customers who do not want to be associated with institutions that aid illegal 'behaviour'. Thus, public pressure on financial service providers contributes to the challenges that migrants face when it comes to accessing financial services.

Location also contributes to the lack of access to mainstream financial services by migrants. The physical location of banks and other financial institutions prevents migrants from accessing financial services (Beck et al., 2006). Apart from being distant from those residing in rural areas, banks are also reluctant to open branches in downtown areas which are near slums or squatter settlements (Thomas, 1992). Thus, migrants residing in downtown areas or rural areas may have a problem accessing mainstream financial services due to the distance from their place of residence and that which the banks and other financial service providers are located. Migrants in these areas may opt to settle for informal financial service providers who are closer to them and easily accessible.

The size of loans or credit required by migrants may also contribute to them not being able to access credit from commercial banks. The amount of money they may need to borrow may be too small to cover the fixed costs of taking out an individual loan (Lindquist et al, 2018; Thomas 1992). Therefore, it would not be feasible for these banks to offer such loans to migrants as it would not beneficial to their business.

Risk assessments and credit records also inhibit migrants from accessing financial mainstream financial services. Most formal financial service providers require their customers to have a good credit record in order to qualify for their services (Thomas, 1992). Collateral is also another problem migrants face when trying to access credit from banks as they are often unable to supply due to the limited assets they possess (Thomas, 1992). Thus, lack of a good credit record and collateral contribute to migrants being unable to access mainstream financial services.

1.1.2. Statement of the problem

Migrants are forced to make use of alternative financial services as they are unable to access mainstream financial services due to reasons such as documentation, language, location, costs among many others. Access to financial services is crucial in making and sustaining a livelihood for an individual. Thus, this research was triggered by an interest to explore and investigate how Zimbabwean migrants in South Africa navigate the financial services system. In order for them to access financial services these migrants are forced to come up with solutions on how to overcome the barriers and challenges they face in accessing financial services. These solutions are the focal point of this research as it seeks to explore the options available to undocumented migrants who cannot access mainstream financial services.

1.1.3. Justification of the study

This research pays particular attention to the informal financial services used by Zimbabwean migrants who cannot access the formal financial services. This section pays special attention to the benefits and advantages of making use of informal financial services to migrants. It explores the main factors that make informal financial services preferable to migrants and how these are a solution to their lack of access to formal financial services. The understanding of risk migrants have is critical in shaping their engagements with financial services and products (Datta, 2009). There are several factors that contribute to these migrants being unable to access these services. Little attention has been paid to the experiences of some financially excluded groups in Africa with migrants being part of these groups especially Zimbabwean migrants.

Migrants are not always poor but they do often have specific needs that need to be catered for and that is where the supply side of financial service providers fall short resulting in the migrants being financially excluded (Anderloni & Vandone, 2018; Baddour et al.,2005) .It is important to look into these excluded groups as it will not only aid in solving problems of social exclusion but they also provide a viable market for new financial products and services for financial service providers (Datta, 2009).

Costs and price structures are a major benefit of making use of informal financial services for many migrants. The fees charged by banks are confusing and unpredictable for migrants with low financial literacy. (Bloomberg & Mintz, 2013). Studies show that immigrant groups represent missed opportunities and market gaps particularly when it comes to remittances and asset building (Bloomberg & Mintz, 2013). Most migrants need and make use of transactional financial services to send money home which have transparent pricing and convenient services such as cash to cash transactions (Bloomberg & Mintz, 2013; Lindquist et al., 2018).

Every week migrants receive their pay cheques and cash them at cheque cashiers. This generates fees amounting to $2 billion per year which is a good opportunity for formal financial service providers in the United States and other western countries (Paulson et al., 2006).Migrants however prefer Money Transfer Agents (MTAs) instead of banks and credit unions as the latter are not always tailored to their needs whilst the former caters for low income customers (Bloomberg & Mintz, 2013). Therefore, banks and other formal financial providers lose out on potential migrant customers as a result of this (Bloomberg & Mintz, 2013). In addition to this, migrants cannot bear the high costs of maintaining bank accounts as they may have low incomes making informal financial services with lower costs more ideal for them (Baddour et al., 2005).

Unlike formal financial service providers, most informal financial service providers have little to no documentation requirements such as visas, proof of residence and proof of income (Baddour et al., 2005). This makes them ideal for migrants who cannot access or are not in possession of these documents. Additionally, informal financial service providers do not require customers to provide a credit history before they are provided with a service (Baddour et al.; 2005; Thomas, 1992). Thus, informal financial services are tailored to the needs of having access to financial services with minimum documentation requirements.

Location and hours of operation are another advantage informal financial service providers have over formal financial service providers (Lindquist et al., 2018). Informal financial service providers have flexible operational hours operating late into the evening unlike their formal counterparts who only operate during the normal business hours (Baddour et al., 2005). Additionally, informal financial services are located near or within low income neighbourhoods where many migrants reside, whilst formal financial service providers are hesitant to open branches in these areas (Thomas, 1992). Thus, informal financial service providers are convenient for many migrants due to their location and operational hours making them more ideal than formal financial service providers.

Product design and information on the services and products available are an important factor in migrant's choice of financial services (Baddour et al., 2005). Migrants are often misinformed about the products and services provided by the formal financial sector which makes it hard for them to find the ones most suitable for them (Baddour et al., 2005; Thomas, 1992). It is also important to note that many migrants have low financial literacy levels due to poor backgrounds. This contributes to the challenge of them knowing and understanding the financial services and products available to them and the ones that are most suitable for them (Baddour et al., 2005).Matching the right financial institutions and community organisations has been another challenge faced by financial service providers reaching out to migrant communities (Baddour et al., 2005).

It is difficult for large banks serving diverse communities to come up with a niche market in one community (Baddour et al., 2005). Smaller banks are more capable of achieving a niche market and are more willing to explore local partnerships, however they have a limited capacity to subsidize these products and services (Baddour et al., 2005). Thus, informal financial service providers have an advantage over formal financial service providers as they are easily adaptable to the communities they operate in and can match the right products with the right customer quite easily. Many informal financial services such as money transfer agents are designed to meet the needs of migrants as they are able to reach and communicate with the migrant market. This ensures that they are well informed of and provide services and products available and are able to provide services which are well suited to the needs of migrants.

Culture and language draw migrants towards informal financial service providers. Migrants usually face language barriers when it comes to formal financial institutions as they are sometimes unable to communicate in English which is the language used by most financial institutions (Paulson et al., 2006). This means that they will not be able to communicate with the staff at these institutions and access the services and products they have on offer. Informal financial service providers on the other hand usually bilingual staff who can communicate with migrants in their own language solving the problem of language barriers (Bair, 2003).

Furthermore, many informal financial institutions are tailored or have made efforts to accommodate the cultures of many migrants through small things such as their appearance and signage which make migrants feel at home and welcome (Bair, 2003; Lindquist et al.,2018 Paulson et al.;2006). Migrants sometimes find the appearance of formal financial institutions such as banks which are in huge high-rise buildings intimidating (Bair, 2003). This makes them feel unwelcome as they perceive them not to be for people like them as they are unfamiliar with them. Therefore, the ability of informal financial institutions such as money transfer agents to alter their appearance with friendlier storefronts to cater for migrants gives them an advantage over formal institutions (Bair, 2003).

It also is also important to look at the challenges formal financial service providers encounter when reaching out to migrant communities. Many banks and credit unions continue to work towards capturing the migrant market, the informal sector continues to gain ground (Baddour et al., 2005; Lindquist et al., 2018). Financial institutions that have reached out to migrant communities have been met with a few challenges. The creation of new international remittance product offerings has not guaranteed acceptance by the targeted migrant communities (Baddour et al., 2005). Secondly some migrants have opened new accounts, but those accounts remain empty and inactive. (Baddour et al., 2005). This points to self-exclusion due to mistrust as migrants still prefer to use informal channels which they more familiar. Compliance and risk issues have also been a challenge by banks which have attempted to provide mainstream financial services resulting in them abandoning these efforts (Paulson, et al., 2006) .

However, it should be noted that some financial service providers have attempted to provide services to undocumented migrants through a relaxation of the documents required to open a bank account for example. In the United States some banks have managed to open bank accounts for migrants using Individual Taxpayer Identity Numbers (ITIN) or an Identification card issued by a foreign consulate (Bellamy, 2007; Lindquist et al., 2018). Migrants are also able to apply for credit and home mortgage using these. (Bellamy, 2007). The main argument behind this is that these initiatives serve the underserved populations which form an integral part of the communities they reside in (Bellamy, 2007). Migrants are evenly spread out and not concentrated in one area in the United States making the demand for financial services by migrants a worldwide phenomenon not limited to a specific geographic area (Anderloni & Vandone, 2018). In addition to this policies are making it easier for the families of migrants to join them in their host countries meaning that there will be an increase in the number of migrants requiring financial services (Anderloni & Vandone, 2018).

Additionally, migrants have a lot to gain from formal financial service providers serving them. An increase in service providers means an increase in competition which may ultimately lower transaction costs making it more beneficial to these migrants (Paulson et al., 2006).Thus providing services to migrants benefits both the financial service providers by breaking into a new market whilst the migrants benefit from an increase in options for financial services and lower transaction costs.

Efforts towards transparency and fighting money laundering may be aided through enabling migrants to access mainstream financial services (Paulson et al., 2006). For example banks providing check cashing and bill payment in addition to remittance services to migrants authorities may better scrutinize payments made by the senders and those receiving them in order to determine their legitimacy simplifying enforcement and compliance of anti-money laundering legislation (Paulson et al., 2006). This is because these institutions are federally regulated and are subject to customer identification rules and extensive recordkeeping and reporting requirements (Paulson et al., 2006).Thus providing mainstream financial services to migrants can help in effectively enforcing anti-laundering legislation and help reduce money laundering through transparent financial transactions.

Informal financial service providers are key in migrants solving their problems of lack of access to financial services. Not only are their services tailored to the needs of these migrants, but they are also able to easily gain their trust. This explains why informal financial service providers keep gaining ground in migrants' communities whilst formal financial service providers struggle to capture the migrant market. Therefore, this study will take an in-depth look at alternative financial service providers used by undocumented migrants and how their services are tailored to the needs of these undocumented migrants.

1.2. Research Question

1.2.1. Main research question

Which alternative financial services are available and used by Zimbabwean migrants who have no access to formal financial services in South Africa?

1.2.2. Specific research questions

1. Do Zimbabwean migrants in South Africa face similar challenges in accessing formal financial services to those faced by migrants in the west as described in the literature?
2. Which categories of Zimbabwean migrants are mostly affected by the aforementioned challenges?
3. In the absence of opportunities to access mainstream financial services, what are the informal financial services available and mostly utilised by migrants in South Africa?
4. What challenges arise from using these alternative financial services?

1.3. Research Objectives

- To investigate whether Zimbabwean migrants in South Africa face similar challenges in accessing formal financial services to those faced by migrants in the west as described in the literature.
- To understand the categories of Zimbabwean migrants which are mostly affected by the aforementioned challenges.
- To explore the informal financial services available and mostly used by Zimbabwean migrants in South Africa in the absence of access to mainstream financial services.

- To explore the challenges that arise from using these alternative financial services.

1.4. Structure of the Dissertation

This chapter serves as an introduction to the study. It presents the research problem, the research questions and the research objectives. The chapter draws material from broad literature to generate a research problem on Zimbabwean migrants in South Africa. The chapter notes that while challenges faced by migrants in the west are well documented and recognise, there is a dearth in literature in Southern Africa, yet, the need for such remains a reality due to the problem of migration in the region.

Chapter Two is a literature review on migrants in the west and their relationship with financial services. It is an analysis of the relevant literature. It also provides a background and context of Zimbabwean migrants, which would assist in our understanding of these migrants and their need for financial services. Additionally the chapter represents an attempt to provide an analytical framework for the study. Chapter Three is the discussion of the methodology. The study adopted a qualitative research design, and the chapter begins by looking at the research design. The chapter also discusses the research techniques employed by the study to collect data, before looking at the ethical issues arising from the study.

Chapter Four presents some of the findings emerging from the study. Chapter Five is a further analysis of the data. It is an analysis of the empirical data gathered from migrants in Pretoria. Broadly, it is a discussion of the challenges faced by migrants in accessing formal services and the alternatives available to them. Chapter Six is the discussion of the emerging themes. It represents an attempt to reach conclusions and recommendations from the study.

Chapter 2

Literature Review

2.1. Introduction

This is a literature review chapter, which explores the issue of migrants and their access to financial services. It also provides a basis for comparison between migrants in the west and those in South Africa with regards to their relationship with financial services. The chapter is approached through the discussion of key concepts that are used in the study. These include among others, migrants, financial services, social exclusion and financial exclusion. The discussion of these concepts serves as an attempt to develop a framework through which we can understand the situation of migrants in South Africa. The chapter is structured as follows: It begins by discussing the concept of migration ,its related concepts followed by Zimbabwean migrants before looking at the financial services and other related concepts. Next, the chapter looks at financial exclusion and what it entails, before discussing the related issue of financial exclusion. Last, the chapter attempts to pull these together in the form of a framework of analysis before providing an in-depth discussion on Zimbabwean migrants focusing on their migration phases, categories and migration intensions.

2.2. Migration

At its simplest definition, migration is the movement of people from one place to another with the intention to settle in the new area (Lee, 1966). Such migration can either be permanent or temporary, and sometimes, this happens across political boundaries (Lee, 1966). Such movements of people have a long pedigree, and humans have been migrating since the beginning of time with history recording the movement of people to far-away places to inhabit new areas (McKeown, 2004; UN, 2019). Today more people live in a place or country that they were not born in, with the number of migrants increasing from 173 million to 258 million between 2000 and 2017, showing the increase in global migration (Segal, 2019). This increase can be attributed to a number of factors such as globalisation, policy, economic and environmental factors among many others.

The increase in migration has also resulted in more attention being paid to the process, as it is not only a key contributor to the global economy, but the wellbeing of migrants everywhere being a major concern. Migration is therefore key in development for several reasons. Firstly, it is an important tool for poverty reduction as individuals migrate to enhance their economic opportunities (Foresti et al., 2018). Second the needs and vulnerabilities of migrants are often not included in policies and programmes, which then limits opportunities for positive development outcomes (Foresti et al., 2018). Other links between migration and development include climate change, citizenship, social protection, health, water and sanitation (Foresti et al., 2018). The 2030 Agenda for Sustainable Development acknowledges the importance of migration in sustainable development with 11 out of the 17 Sustainable Development Goals containing targets relevant to migration (UN, 2019). These include the facilitation of safe and orderly migration, well planned migration policies, trafficking and remittances among many others (UN, 2019). Additionally, the International Organisation for Migration (IOM) established in 1951 is mandated to ensure the orderly and human management of migration for the benefit of all, promote international cooperation on migration and to assist in solving practical issues related to migration (UN, 2016).

There is a debate concerning the benefits and disadvantages of migration. Those that are in support of migration argue that migrants make positive contributions to the economy, they enrich the culture and it is the responsibility of well off countries to assist those in need (Segal, 2019). Those that are against migration argue that migrants drain resources, destroy the culture and immigration has to be earned as it is not a right (Segal, 2019). Whilst it is true that migrants do contribute to the economy it is also important to note that their presence may result in the decline in income and opportunities for less educated individuals (Segal, 2019). In South Africa the emergence and increase in xenophobia is a perfect illustration of the argument against migration. Many locals feel threatened by the presence of foreign nationals who are both skilled and unskilled. Whilst skilled professionals can secure high paying jobs, low-skilled migrants are often in desperate situations and willing to partake in low paid work. This then takes away opportunities from both skilled and unskilled locals resulting in direct and indirect xenophobic violence and discrimination. Many Zimbabwean migrants in South Africa who are economic migrants have been victims of xenophobia.

This section will explore the concept of migration by investigating the main motives or push and pull factors of migration and the different phases of migration in order to inform the study.

2.2.1. The push and pull factors in migration

In the study of migration, it is important to look at the motives or reasons why people migrate. These factors assist in our understanding of reasons behind the movement of people from place to place. According to Lee's theory of migration there are four main factors which influence an individual's decision to migrate (Lee, 1966). These are factors associated with the area of origin, factors associated with the destination, intervening obstacles and personal factors (Lee, 1966). The issue of push and pull assumes that people are either pushed or pulled to migrate in search of circumstances, advantages and disadvantages. This section will explore the push and pull factors of migration in order to understand the reasons why people choose to migrate. Push factors are those that result in people emigrating, i.e., leaving a place to go settle elsewhere. Push factors are generally undesirable factors that push people away from a certain place such as war, conflict, food shortages, famine and drought (Segal, 2019). Movement may be voluntary or forced depending on the reason for migration. War, famine, extreme religious activity and drought are push factors that lead to involuntary migration (Segal, 2019).

Push factors, such as poor economic activity and unemployment, on the other hand result in voluntary migration. Lately, economic factors such as unemployment and harsh economic conditions have been the biggest push factor resulting in people migrating (Kainth & Arjan, 2010). Many people are migrating to places with more economic opportunities such as employment and better quality of life (Segal, 2019). Developing countries are currently experiencing a brain drain with skilled professionals emigrating from their home countries to developed countries in search of better employment opportunities (Parkins, 2010). South Africa has also been affected by brain drain with a large number of skilled professional migrating to more developed countries such as Australia, New Zealand, Canada, and the United States (Kaplan & Höppli, 2017). This has resulted in a skills shortage in the country, which affects the development of the country as skills shortages stunt economic growth (Höppli, 2014).

Likewise, declining economic conditions serve as a push factor for Zimbabwean migrants. These result in

a brain drain with its skilled professional migrating to South Africa and other countries in search of employment, leaving a skills gap. Therefore, whilst emigration by South Africans signifies discontent resulting in a brain drain, this also becomes a pull factor for Zimbabwean migrant who fill in the gaps left by those who would have migrated from South Africa.

Pull factors are those factors that pull or attract people to a certain place, making them leave their home. They can also be referred to as place utility meaning the desirability of a certain place which attracts people (Kurekova, 2011). These include better services, high employment, political stability and low crime rates among many others. Distance is also a major contributing factor in migration as people often prefer to move to places with more opportunities that are closer to their location than those that are far away (Lee, 1966). This supports the human capital approach from the neo-classical migration models which state that migrants are rational actors who choose a destination with the least costs such as travel and other relocation costs and have the highest return or the biggest gain such as income from a wide range of destinations (Kurekova, 2011).

For Zimbabwean migrants South Africa is the perfect destination as it is close, meaning low transport costs and has the greatest economic opportunities in terms of labour and wages amongst its neighbours in the region. It is also important to note that knowledge regarding the migration destination is often limited and migrants can make misjudgements in their decisions to migrate by over calculating the benefits of migration or the opportunities available there (Lee, 1966). It is also important to note the role of social networks as a pull factor as many Zimbabwean migrants decision to migrate is influenced by social networks who also help in facilitating their migration.

2.2.2. Forms of migration

Migration is a compound concept with many aspects to it which are influenced by the reason and forms it comes in. It can be classified according to the reasons for migration, which are mainly economic, political, social and environmental. Before exploring the types of migration, it is important to mention two terms in migration, these are immigration and emigration. Emigration refers to the act of departing from one's state or home country to go and settle in another (IOM, 2011). Immigration happens when people come into a state or country from elsewhere for the purpose of settlement (IOM, 2011). Migration has three scales relating to the distance between the place of origin and the final destination. These include intercontinental, which is the movement between continents and intra-continental, which occurs between countries in a continent (Lee, 1966). Third is the interregional scale, which happens within countries and is domestic in nature such as rural to urban or urban to rural (Lee, 1966).

It is also important to note that there are many actors involved in migration that shape its form and type besides migrants themselves. These include governments, law makers and nonstate actors such as international organisations (Lahav, 2003). Not only are they responsible for regulating migration, but they have a key role in facilitated and assisted migration. Facilitated migration is migration that is encouraged by or supported by state policies or direct assistance from international organisations (IOM, 2019). This is meant to make the process of migrating and residence easier, convenient and more transparent. The purpose of this section is to unpack the forms of migration by looking at the types of migration. The forms of migration are determined by the reason or motives of migration these are mainly economic, political, social and environmental.

2.2.2.1. Economic migration

Economic migration entails the movement of people across international boundaries or within a state in search of greater economic opportunities (IOM, 2019). The assumption is that most economic migrants are from less developed countries migrating to more economically developed countries or from former colonies to the country that was the imperial power (Segal, 2019). The exodus of many Zimbabweans to the United Kingdom in the early 2000s is a great example of this, as the latter is both the former imperial power and more economically developed than the former. The search for employment forms a large bulk of economic migration with many migrating with the intention of finding a job (Aburn & Wesselabum, 2019; IOM, 2019). However economic migration is not limited to the search for employment, but can also include other opportunities such as investment (Anderloni & Vandone, 2014).

According to Ravenstein's laws of migration, the inherent desire in most men to maximise material gains tops all other motives of migration such as environmental, social and political factors (Lee, 1966). Even all these have produced constant 'flows' of migration their volume cannot compare to that of economic migration (Lee, 1966). Therefore, it can be argued that economic migration is the most common form of migration.

2.2.2.2. Environmental migration

Environmental migration occurs when people leave their habitual residence due to sudden or progressive changes in their environment that threaten their livelihoods and well-being (IOM, 2019; Aburn & Wesselabum, 2019). This includes conditions such as drought, famine, flooding or climatic changes. Movement may be temporary or permanent and within state borders or outside (IOM, 2019). It can be associated with greater vulnerability of the migrants especially if it is not voluntary (IOM, 2019). In recent years migration and its climate variables have become a top priority for many policy makers and academics, with the World Economic Forum declaring extreme weather conditions as the most extreme and impactful risk (Aburn & Wesselabum, 2019) . South Africa is not exempt from environmental migrants as the southern

African region is not exempt from natural disasters such as cyclones and floods among many others. Inevitably many migrants coming from as far as the DRC come to
South Africa to seek refuge through Mozambique and Zimbabwe (Rulashe, 2003)

2.2.2.3 Political migration

Political or impelled migration occurs when people move due to political reasons such as war, civil war, religious persecution or discriminatory state policies against certain groups of citizens or those that oppose authority (Aburn & Wesselabum, 2019). Such migrants will not be able to return home due to the fear of persecution and the lack of guaranteed protection from the government.

2.2.2.4 Social migration /family reunion

This type of migration occurs when family members move from their home country to settle in another country in order to join their relatives (Segal, 2019). This includes fiancé(e)s, civil partners, spouses, children and elderly relatives (Lee, 1966). This can also include a family accompanying a family member who enters the host country as the primary migrant (IOM, 2019; Lee, 1966). The right to family reunification is recognised internationally, allowing non-nationals to reside in a country where their family members lawfully reside to preserve the family unit (IOM, 2019). This is supported by the new economics of migration theory in which decisions regarding migration are motivated and made by families not individuals (Kurekova, 2011; Ranga, 2018). Thus, migrants act on behalf of their families in their countries and work towards reuniting and looking after their families in the host country.

2.2.3. Migration phases

Migration consists of different phases in the lives of migrants in their host countries in relation to their integration. These are initial settlement, legal status and family reunion, stable settlement and consolidation. At each phase migrants have different needs and priorities tied to their migration goals and intensions. This section will explore the different phases in migrants' lives paying particular attention to their financial needs.

Initial settlement is the first phase of migration. This is when migrants arrive in the host country and they are mainly concerned with basic needs such as employment, accommodation and language (Anderloni & Vandone, 2014; Drachman, 1992). They are mainly concerned with adjustment and survival thus all financial resources are channelled towards this (Drachman, 1992). Their legal status, whether legal or illegal, is hugely influential in their access to jobs and housing (Anderloni & Vandone, 2014). Many of them do not have access to formal financial services at this stage and may have incurred huge debts to finance their journey and rentals (Anderloni & Vandone, 2014; Hagen-Zanker & Mallett, 2016).

In the second phase of migration, migrants are concerned with issues related documentation/ residence permits for those who would have entered illegally, a regular job and family reunions (Anderloni & Vandone, 2014). Those that enter illegally usually come on their own and may be joined by their families at a later stage (Boyd, 1989). Migration intensions largely shape the migrants financial choices whether they intend to remain in the country for long or are just there for a short term. Those that intend to remain in the country on a longer term of permanent basis will begin to make arrangements for their families to join them in the host country (Drachman, 1992). Those that temporarily migrated will be concerned with sending remittances to support their families back home (Anderloni & Vandone, 2014).

The i.e. and frequency of remittances will be determined by the migrant's salary, expenses and savings (Anderloni & Vandone, 2014; Hagen-Zanker & Mallett, 2016). Apart from this other financial needs at this stage include personal loans to buy furniture and other household appliances and for entrepreneurs micro-credit to purchase equipment for their business (Anderloni & Vandone, 2014). However, these needs are not always fulfilled especially when migrants fail to meet the loan requirements for banks (Anderloni & Vandone, 2014) .

Next is the stable settlement phase in which migrants become integrated in the host country (Becker & Bhugra, 2005). Here priorities shift from basic needs to business or commercial activities such as shops, restaurants and other assets such as cars and houses even buying houses (Anderloni & Vandone, 2014). Social networks may play an important role at this stage by assisting migrants with information concerning business opportunities and the process asset accumulation (Hagen-Zanker & Mallett, 2016) They begin to save for their medium-term goals, and they look for basic savings products (Anderloni & Vandone, 2014). They will require micro or consumer credit, mortgages and business loans (Anderloni & Vandone, 2014). The size and frequency of remittances reduces due to most migrants being joined by their families in the host country at this stage and investment in the host country to aid their integration becomes priority (Anderloni & Vandone, 2014). At this stage migrants also adopt the social and cultural norms of their host countries (Becker & Bhugra, 2005).

The consolidation phase follows the stable settlement phases. The features of this phases are determined by the aims of migration whether short term or permanent (Anderloni & Vandone, 2014). Those that are in transit intending to work for a certain period of time wanting to save money and re-invest in their home country have needs similar to those in the stable settlement phase (Anderloni & Vandone, 2014; Martin, 2004). Those that intend to settle permanently will have more sophisticated financial needs which resemble those of the locals in the host country (Anderloni & Vandone, 2014; Becker & Bhugra, 2005). Remittances also become less important (Anderloni & Vandone, 2014).

This section has explored the different migration phases in the lives of migrants from initial settlement to consolidation. In each of these stages migrants have certain needs which also relate to the availability and access of financial services. The next section will explore the importance of access to financial services for migrants.

2.2.4. Migrant

According to the United Nations Migration Agency (IOM), a migrant is a person who has moved within a state or across international borders away from their habitual place of residence (UN, 2019). This is regardless of their legal status, whether migration was voluntary of forced, causes of the movement and the duration of their stay (UN, 2019). Voluntary migrants leave their homes at their own will in search of better economic opportunities. They decide when to migrate, their destination and also identify possible opportunities and places of residence (Segal, 2019). Involuntary migrants leave due to dangerous conditions and have little to no decision-making power concerning their migration (Segal, 2019).

The term consists of several categories of people which includes migrant workers; those with types of movements that are legally- defined such as smuggled migrants; and those whose status or movement or status are not specifically defined in international law such as international students (IOM, 2019). This section will explore the concept of migrants discussing the different migrant categories and the characteristics of each migrant category.
This will also be supported by examples drawn from global literature on migrants.

2.2.4.1. Irregular migrants

An irregular migrant is a person who has migrated across international borders and is not authorised to enter or stay in the state they would have moved to according to the laws of that state and international agreements that the state is bound by (IOM, 2019). For destination or host countries irregular migration includes entry, staying and working in a country illegally without the necessary authorisation and valid immigration documents (European Commission, 2019). For sending countries irregular migration occurs when one leaves the country crossing an international boundary without a valid travel document or without fulfilling the administrative requirements for leaving the country (Segal, 2019). Irregular migration occurs all over the world and it is difficult to track with migrants ensuring they remain undetected. However, in 2016 an estimated 11, 3 million undocumented migrants were living in the United States and an estimated 176, 452 irregular migrants arrived in Europe by land and sea in 2017

Migrants in the irregular category are not one homogenous group with each type having its own characteristics with their irregularity referring to their migration status. The most common type of irregular migrant is the undocumented migrant. Undocumented migrants are those that enter and stay in a country without the necessary documentation or false documents such as a passport and a visa (IOM, 2019; Segal, 2019). However, it is also important to note that one's migration status can shift from regular /documented resulting in them being an irregular at any time.

One can enter the country legally but remain there illegally violating the terms of their entry visa/ permit (Segal, 2019). Such migrants usually overstay their visas remaining in the country beyond the period for which entry was granted (IOM, 2019; Hagen-Zanker & Mallett, 2016). Another type of irregular migrants is those that may have the right to reside in the country but take up employment in violation of the terms of their residence permit. However, there are other migrants who enter the country illegally crossing multiple land and sea borders with the journeys being non-linear and not straightforward (Hagen-Zanker & Mallett, 2016). This is the case for many Zimbabwean migrants in South Africa who cross the border using illegal entry points along the Limpopo River. The same way one's migration status can shift from regular to irregular categories the reverse can also happen with irregular migrants becoming regular. This usually happens in cases involving refugees and asylum seekers who may enter the country illegally but become regular once they are granted asylum (Natale et al., 2017).

2.2.4.2. Regular/documented migrants

These are migrants that are authorised to enter and remain in a state and possess documents such as a passport and visa needed to prove their regular status in that state (IOM, 2019). This category includes migrant workers, asylum seekers, international students and refugees. Documented migrant workers are authorised to enter and seek employment in a state and may bring their family to live with them in the host country (IOM, 2019; OHCR, 2011). Documented migrant workers can be further classified into high skilled professional whose skills and education enable them to participate in highly skilled occupations and low-skilled workers whose level of education and occupational skills allows them to engage in low skilled occupations (IOM, 2019; Martin, 2004).

Asylum seekers are individuals seeking international protection; however, asylum is not always granted and not every asylum seeker will be recognised as a refugee (IOM, 2019). Refugees like asylum seekers seek international protection due to fear of persecution in their home country and are unable to return to it due to the lack of protection there (Becker & Bhugra, 2005).

Though most regular migrants are documented certain situations may result in their legal migration status being undocumented (IOM, 2019; Hagen-Zanker & Mallett, 2016). This usually happens with regional freedom of movement regimes in which migrants may lack the necessary documentation to prove that they are nationals of a member state within a regional community they are authorised to move in (IOM, 2019). Thus, migrants may be undocumented is such situations.

2.3. Financial Services

Financial services are the services provided by the finance market. Meidan (1996) states that financial services consist of activities, benefits and satisfactions , connected with the sale of money , that offer to users and customers financial related value (Meidan, 1996). However the term can also be extended to include not just the good itself, but the institutions and the process involved in acquiring the financial good and managing it (Asmundson, 2011; Smith, 2018). Financial service providers may be formal or informal. Formal providers are strictly regulated such as banks (Anderloni et al., 2008). However, informal financial services have little to no regulation depending on the type of services and products on offer and the sources.

Financial services are not only crucial for economic growth as they aid in boosting production, investment and saving but also directly influence the standard of living of individuals by improving their quality and standard of living (Beck et al., 2006). Access to financial services enables them to purchase various consumer products which also translate to profits for other businesses and financial institutions (Lindquist et al., 2018). For migrants' access to financial services is key to their economic integration (Anderloni & Vandone, 2014). They not only need informal services but formal ones such as banking, pension funds and insurance among others for them to be fully economically integrated (Anderloni & Vandone, 2014). These will enable them to reach their maximum potential becoming homeowners, entrepreneurs, build credit histories, have retirement plans and insure themselves against unforeseen circumstances and risks (Paulson et al., 2006).

This section will explore both formal and informal financial services, the different forms they come in and the products offered by each of these. This will also be linked to migrants by looking at the relationship between migrants and financial services. This entails looking at the options available to migrants in terms of financial services, the challenges associated with these and the solutions to these challenges.

2.3.1. Formal financial services

Formal financial services are those that operate within the mainstream financial sector or industry. These include banking, wealth management, real estate and insurance among many others (WEF, 2015; Asmundson, 2011). Banks are the most common service and responsible for deposits, loans, administering payment systems, trade, issuing securities and managing assets (Asmundson, 2011).These are crucial for the efficient functioning of any economy and for the economic wellbeing of individuals within these economies. However, demand for these services is sometimes low due to the costs associated with their usage and the lack of financial literacy amongst individuals (Cole et al., 2011). This inevitably affects the development of global financial markets and the attempts by governments and international organisations to expand their usage (Cole et al., 2011). Additionally, the economic importance of financial services and the need for trust and confidence in the financial sector requires governments to regulate and oversee the provision of financial services (Asmundson, 2011). Again, these regulations serve as a barrier to accessing financial services. Migrants just like any other population group need to access financial services to maintain their economic wellbeing and are greatly affected by these barriers. The challenges will be explored in-depth in the next section.

2.3.2. Challenges in accessing formal financial services

As much as there have been technological improvements in the formal financial industry to reach and serve a wider market many people still face challenges in accessing financial services and products. These include costs, location, financial literacy, documentation, trust and regulation among many others. This section will explore the challenges associated with accessing formal financial services, paying much attention to migrants and the barriers they encounter in accessing financial services.

2.3.2.1. Financial literacy and capability

The first challenge is financial literacy and capability. Many people are financially illiterate owing to their lack of knowledge and understanding of financial products and services and also making good financial decisions (Grandolini, 2015). Another challenge related this comes in the form of the technology used by financial institutions such as ATM's which some people will not know how to operate. Therefore, individuals may fail to access these financial services due to their financial illiteracy and lack of knowledge on how to make use of the technology involved. This is a common case amongst among migrants who come from less developed countries that have financial industries are not technologically advanced and thus fail to make use of the services available due to lack of exposure (Bloomberg & Mintz, 2013). Migrants also have limited access to information concerning financial services which contributes to their financial illiteracy and limited capability (Barcellos et al., 2012).

2.3.2.2. Documentation

The other challenge that migrants face concerns the general requirements for documentation, which must be produced when they access certain services. Most formal financial service providers have strict documentation requirements that need to be met before they can provide a service to an individual (Pauslon et al., 2006). These include ID's, passports, visas and proof of residence among many others. Again, migrants may be unable to provide these if they do not have the adequate documentation especially passports and visas. In the US Patriot Act of 2001 has made it more difficult for migrants to open bank accounts as it set strict documentation requirements in the banking sector to deter terrorism (Bloomberg & Mintz, 2013). Additionally, financial institutions such as banks may require credit histories in order to be able to serve migrants and offer services such as cheque accounts and loans which they may not have due to lack of documentation (Paulson et al., 2006).

2.3.2.3. Trust

Another challenge that hinders migrants from accessing financial services that can also be linked to the issue of documentation is that of trust. Many migrants are undocumented or irregular and they fear that they will be reported to immigration authorities by financial institutions upon realising their migration status (Paulson et al., 2006). Those that are documented may have a hard time acquiring citizenship or permanent residency (Barcellos et al., 2012). This means that they face the risk of having to return to their home countries thus they may be sceptical to keep their money in financial institutions in fear of not being able to access it one day (Barcellos et al., 2012).

They would rather invest in liquid assets instead of investing in the financial market of their host country and may be less interested in acquiring information on the financial products available (Barcellos et al., 2012). In the US migrants from Mexico and other South American countries are less likely to have bank accounts, retirement funds, bonds and stocks and more likely to have wealth abroad (Barcellos et al., 2012).Trust can also be linked to the unpredictability of the costs associated with different products and services which migrants may fail to account for or understand and thus fail to trust formal financial service providers (Bloomberg & Mintz, 2013).

Furthermore, migrants coming from communities with high levels of corruption and underperforming financial industries will be reluctant to invest or participate in the formal financial market of their host countries (Atkinson, 2006). Many migrants may have witnessed corruption, fraud, financial crises and a lack of transparency in the financial industry in their home country resulting in them distrusting financial institutions (Pauslon et al., 2006). A good example is the banking crisis in Mexico in the 1990s which greatly affected the country leading to many Mexicans not rusting banks (Pauslon et al., 2006). Migrants can thus carry this negative perception of financial institutions with them to their host countries barring them from making use of formal financial services such as banking.

2.3.2.4. Costs

The costs associated with making use of financial services such as deposit charges, withdrawal charges, minimum balances also deter migrants from making use of formal financial services. Not only do they have a limited amount of income at their disposal but they may also find the cost structures of these services confusing and unpredictable (Barcellos et al., 2012; Bloomberg & Mintz, 2013; Pauslon et al., 2006). Many migrants are vulnerable to high transactional costs and fess as they live pay check to pay check and may have unpredictable incomes and may not know how to manage their finances more effectively (Pauslon et al., 2006). Thus, making use of these financial services becomes undesirable due to the costs involved.

2.3.2.5. Language

Language is another barrier faced by migrants in accessing financial services. Migrants need to be able to understand the products and services available to them, but they need to be able to communicate with the staff at these institutions. Migrants sometimes have limited linguistic abilities to understand the products and rules in the financial market (Barcellos et al., 2012; Bloomberg & Mintz, 2013). Language also ties in with the issue of culture of an institution. The culture of an institution will have an impact on whether migrants feel welcome or not or their familiarity. Migrants are often intimidated by the appearance of many financial institutions and the strict formality in which customers are treated with (Pauslon et al., 2006; Lindquist et al., 2018). Familiarity will draw migrants towards a service or institution thus if migrants are not familiar with an institutions culture it will hinder their access and use of the services on offer (Pauslon et al., 2006).In the US migrants coming from English speaking countries are more likely to have a bank account compared to those who do not come from English speaking countries (Pauslon et al., 2006).

2.3.2.6. Location

Migrants are also barred from accessing financial services due to their location. Migrants tend to cluster in low income neighbourhoods and communities far away from most financial institutions (Lindquist et al., 2018; Paulson et al., 2006). In the US high levels of ethnic concentration decrease one’s likelihood of owning a bank account (Pauslon et al., 2006). Additionally, many financial institutions are reluctant to open branches in these low-income neighbourhoods due to many reasons safety being the biggest one. Thus, migrants are unable to access financial services due to them residing far away from financial institutions. Another issue related to location is that of convenience (Beck et al., 2006). Many migrants are unable to access financial services due to the operational hours of many formal financial institutions. Those that reside and work far away from these institutions may not always be able to visit them during their operating hours.

2.3.3. Informal financial services

Informal financial services are the variety of service providers that operate outside of the federally insured banks or simply the formal financial institutions (FDIC, 2009). Many of the products they offer are actually like banks which make them an ideal solution to those who cannot access banking services (FDIC, 2009). These products range from loans, remittances, cash checking and money transfers. They fill in the void left by formal institutions which fail to serve low income communities only catering for the modern high-income populations (Thomas, 1992). Thus they play a complimentary role to the formal financial institutions by serving the lower end of the market giving small unsecured short term loans and other services to rural areas, households, individuals or small entrepreneurial ventures (Ayyagari et al., 2008). They also rely on relationships with their customers which strengthen their reputation in the market (Ayyagari et al., 2008).

Informal/alternative financial services are the solution to lack of access to formal financial services for many migrants. They are convenient for migrants who are excluded from the formal sector and like the formal financial service providers, they have a variety of products and services on offer. It is also important to note that this informal sector also serves those that do have access to formal financial services. This section will explore the alternative financial services available to migrants in western countries.

2.3.3.1. Incentives of informal financial services

2.3.3.1.1. Location

Location is major challenge that migrants faced in accessing financial services as they reside in neighbourhoods with little or no financial service providers such as bank branches. Thus, location forms part of the unique selling point of informal financial services. Many informal financial service providers are located in low income neighbourhoods where minority groups are concentrated (Lindquist et al., 2018). In the US these are very common amongst the Hispanic and African American communities residing in low income neighbourhoods (Temkin & Sawyer, 2002). These service providers fill in the void left by formal financial service providers by providing a convenient and accessible service (Atkinson, 2006; Temkin & Sawyer, 2002). Unlike formal institutions such as banks informal service providers have flexible operating hours operating late into the evening and on weekends. This is ideal for low income migrants who may be working long and unconventional hours (Bair, 2003).

Additionally, their location significantly reduces traveling costs as migrants will not have to travel far to access their services (Thomas, 1992). On the other hand, some migrants do not mind paying higher costs for convenient services. Some informal financial services allow migrants to make several transactions at once such as cash checking, paying bills and wiring money which is very convenient for them (Temkin & Sawyer, 2002). Thus, informal financial services benefit many migrants as they solve the problem of location in accessing financial services making them convenient for migrants in low income neighbourhoods.

2.3.3.1.2. Documentation

Unlike formal financial institutions with strict documentation requirements, informal financial services do not require a lot of documentation. Migrants are able to perform their transactions such as sending remittances and borrowing money with little to no documentation. Many informal services such as credit unions and association are not regulated and often depend on mutual respect, trust and a common bond amongst migrants (Atkinson, 2006). This is also ideal for migrants undocumented that fear deportation as it reduces the chances of the immigration authorities to track them down through their transactions (Lindquist et al., 2018; Maimbo et al.,2005).

2.3.3.1.3. Trust

Migrants are drawn to informal financial services due to trust. Many informal financial services such as rotating credit associations and remitting through family and friends operate on the basis of trust Atkinson, 2006; Maimbo et al.,2005). They are usually community based and are socially embedded making them ideal for migrants who are sceptical about the formal financial services (Atkinson, 2006). Additional this has a self-regulatory function as it has an impact on an individual's name and reputation (Maimbo et al., 2005).Thus trust is a major factor that lures migrants to informal financial services.

2.3.3.1.4. Appearance

In addition to informal financial services being located in neighbourhoods and areas convenient for migrants their appearance plays a huge part in attracting migrants. Unlike banks which usually operate from high-rise intimidating buildings, inform services such as cash checkers have friendlier storefronts and signage (Bair, 2003; Lindquist et al 2018). This will encourage migrants to make use of their services as they accommodate their needs such as signage in foreign languages and are less intimidating (Bair, 2003).

2.3.3.1.5. Costs

Costs determine the financial services and products migrants can make use of. Informal financial services are cost effective for many migrants who have a limited income. The size of transactions is also limited by income with many migrants making small transactions at regular intervals (Beck et al., 2006). This is not sometimes possible with formal institutions, however informal financial service providers do allow small transactions and offer fair pricing and low interest rates for loans (Thomas, 1992). Migrants will make use of various mechanisms to transfer money choosing the best option which gives them value for money (Datta, 2009). Migrants are not only looking for affordability when it comes to financial services, but a thorough understanding of the cost structure associated with these financial services.

Informal financial services such as money transfer agents and cash checking agents often have simple cost structures which make them ideal for migrants (Bloomberg & Mintz, 2013). These are tailored for low income individuals who like making cash transactions and are located in low income neighbourhoods where many migrants reside (Bloomberg & Mintz, 2013). Due to being in close proximity to migrants, informal money providers can easily assess risk enabling them to charge a risk premium and reduce the need for collateral (Thomas, 1992).Thus they may sometimes charge higher fees than formal institutions, but their customers will not mind as they do not need to provide collateral (Temkin & Sawyer, 2002).

2.4. Services and Products

2.4.1. Remittances

Remittances are a major contributing factor influencing migrants' need for financial services. The act of migration itself is influenced by remittances with migrants leaving their home countries in search of better economic opportunities which will enable them to support their families back home (Atkinson, 2006; Lindquist et al., 2018). Migrants are constantly searching for low cost, reliable and efficient remittance services (Atkinson, 2006). This section will explore the main reasons why migrants remit by looking at the remittance models which explain why migrants remit .These are altruism, insurance, loan repayment, investment, implicit family contract and exchange (Anderloni & Vandone, 2014). This will be followed by a discussion on the use informal remittance channels by migrants which include relatives and family members and the benefits of the use of these informal channels.

Altruism is one of the main motives behind migrants sending remittances. The altruist model of remittances states that migrants have the responsibility of taking care of their family (Anderloni & Vandone, 2014). Therefore, through remittances they can fulfil this responsibility ensuring the economic well-being and welfare of their families back home. However, remittances do decrease over time as migrants lose touch with their families or have their families join them abroad (Anderloni & Vandone, 2014).

According to the exchange model remittances are driven by self-interest (Anderloni & Vandone, 2014). Remittances in this case enable migrants to access or buy certain services such as the upkeep of their assets back home or taking care of elderly parents and children back home (Anderloni & Vandone, 2014).

The loan repayment models strictly focus on strictly on loans for migration costs. Migrants sometimes cannot fully finance their migration and rely on loans from family members and friends to support them (Anderloni & Vandone, 2014). The remittances for these loans represent the return of capital plus interest due to their size (Anderloni & Vandone, 2014). It can also be seen as an exchange of services. The implicit family contract focuses on family loan arrangements. It is argued that there is contract between migrants and their families back home. It includes various types of loans and investment in the migrant (Anderloni & Vandone, 2014). For example the family back home may have invested in the migrant in many ways such as education or funded their migration costs (Anderloni & Vandone, 2014). Once migrants are settled and start earning money, they begin to repay these loans through remittances (Anderloni & Vandone, 2014). The duration or repayment period depends on how quickly the migrant is able to start earning money and their income (Anderloni & Vandone, 2014). However, in this case unlike in the altruistic model remittances remain steady and do not decrease over time (Anderloni & Vandone, 2014).

Reverse remittances are also common among migrants especially new arrivals. Migrants may require support from their families back home upon arrival before getting settled in their host country or during periods of unemployment (Datta, 2009). Mauricio an immigrant from Brazil living in London is one such migrant. In addition to his family financing his ticket when he moved to London, they occasionally support financially during periods of unemployment (Datta, 2009). The insurance model can also be linked to the implicit family contract. Here the aim is to diversify the risk of capital and assets (Anderloni & Vandone, 2014). Migrants coming from volatile regions in developing countries such as those that are rural and depend on agriculture may have migrated to ensure that their families are well taken care of in the event of an economic downturn (Anderloni & Vandone, 2014). For example, a family can send their most educated member abroad whose income will support them in times of trouble (Anderloni & Vandone, 2014).

The investment model states that remittances are driven by economic and financial selfinterest of migrants. As a migrant move from one stage to the next in their migration cycle, they begin to save their money (Anderloni & Vandone, 2014). Some of these savings will then be invested in their home country to build wealth and diversify risk (Anderloni & Vandone, 2014; Datta, 2009). This may be due to the fact that they do not have access to a savings account but can easily obtain one in their home country and keep their savings there (Datta, 2009). They may purchase assets such as land and property and the migrant's family will administer these on their behalf until the migrant returns if they plan on returning (Anderloni & Vandone, 2014). Inheritance is also another motivation behind these kind of investments as migrants may send remittances to their parents for example to ensure they are included in the family inheritance (Anderloni & Vandone, 2014).

2.4.1.1. Informal remittance channels

The use of informal remittance channels is common amongst migrants. Informal remittances are those that enter a country or occur through private or unrecorded channels (SSRC, 2009). Many migrants do not have access to mainstream financial services such as banking thus they are forced to make use of informal remittance channels (Barcellos et al., 2012) .They may make use of wire services that do not require a bank account such as money transfer agents or family and friends who will be going home (Barcellos et al., 2012). Another factor that pushes migrants to make use of informal remittance channels are the costs involved in formal remittance channels (Anderloni & Vandone, 2014). Migrants may have a limited amount of money at their disposal and will thus not be able to make use of formal channels when sending remittances and will opt for cheaper informal channels (Atkinson, 2006). Thus, using informal remittance channels increases the amount migrants can send to their families due to lower transaction costs (SSRC, 2009).

Lack of infrastructure in the home country may also contribute to migrants making use of informal remittance channels. Many of them rely on low cost technologies operating in mobile shops and grocery stores (Kosse & Vermeulen, 2014). Somali residents in the UK are forced to make use of alternative such as Dahabshiill or Qaran Express as they do not have banks in their country (Datta, 2009). They also make use of a system called 'xawaala' in which they use small companies to send money home at a cost of 5% of the total amount (Datta, 2009). This system is used by many as it is safe and reliable. These are perfect examples of the different mechanisms used by migrant communities to cope with financial exclusion. A Brazilian immigrant living in the UK opted to keep his savings in a Turkish bank account where his brother resides. The reason behind this was due to the fact that they do not ask many questions about where the money is coming from compared to banks in the UK (Datta, 2009).

It is also possible for migrants physically carry the money for remittances or give to someone they know (Kosse & Vermeulen, 2014). Migrants will sometimes opt to give a relative or friend who is going back home money to pass on to their families (Datta, 2009; Atkinson, 2006). This is ideal as there are no transaction costs involved and the person going with the money will be trustworthy (Datta, 2009). Upon arrival in the home country the family of the sender can easily go collect the money and not have to pay anything extra unlike with formal remittance channels. Some migrants living in the UK are Turkish are an example of this. They prefer to send money to their families through a friend instead of institutions like MoneyGram. This is not only cheaper but it also simple and safe, they hand the money to the friend and the family collects it from them (Datta, 2009). For the polish community in the UK, the geographic proximity and cheap travel opportunities make regular travel easy thus many polish migrants there opt to take the money home themselves or with a friend (Datta, 2009).

2.4.2. Credit, loans and savings

Credit and loans are an important part of migrants needs for financial services. Migrants have a number of options when it comes to obtaining loans and credit from the informal sector. These are able to attract migrants who need small loans or want to make small savings (Thomas, 1992). Relatives and friends may be the first go to for migrants who need loans especially those who would have just arrived and still getting settled in their host country (Atkinson, 2006). A group of friends or family members can even get together and form a Rotating Credit and Savings Association (ROCSA) (Thomas, 1992).

These are common in African, Asian and Latin American and are also known as ‘gün’ (gold days) in the Turkish community, and ‘hagbads’ in the Somali community (Datta, 2009). Here a group of people get together and contribute towards a common fund with one person collecting the money at agreed intervals which can be weekly, bi-weekly or monthly (Thomas, 1992). This goes on until all the members receive the money then the group will decide whether to disband or start a new cycle (Thomas, 1992). Trust is a crucial element in these as that is the only form of guarantee that all members will contribute until the end of the cycle.

Credit Unions are also informal source for loans. They are the middle ground between informal associations and formal institutions (Atkinson, 2006). They are mutual organisations that offer loans and savings at community level (Atkinson, 2006). They operate much like ROCSA but are much larger and are able to link savings with credit provision closely serving financially excluded individuals and communities (Atkinson, 2006; Thomas, 1992). These have lower transaction costs than most banks in the US and the UK, but face problems related to control due to their size (Thomas, 1992). These like ROCSAs depend on a ‘common bond’ and require a lot of trust and understanding amongst members and guarantee that everyone will contribute. (Anderloni & Vandone, 2014; Atkinson, 2006; Datta, 2009)

Money lenders such pay day lenders also provide much needed credit to migrants with limited incomes (Temkin & Sawyer, 2002; Thomas, 1992). Pay day lenders give short term loans to individuals with low incomes in poor communities (Thomas, 1992). However, these tend to be exploitative preying on desperate individuals. Pawn shops although not too common nowadays also offer loans and credit to migrants. A loan is offered in exchange for goods that will be held as collateral until the loan is paid back (Thomas, 1992) The collateral held by the lender removes the need for them to conduct a risk assessment of credit worthiness of the borrower (Thomas, 1992).The borrower will not have the burden of paying interest for the loan unlike with loans from banks which have interest (Thomas, 1992). This also reduces the chance of the migrant falling into increasing debt.

2.4.3. Mechanisms

Migrants make use of several mechanisms as a response to financial exclusion. The purpose of these is for them to have access to some sort of financial services whether formal or informal. Those seeking to have access to services in the formal sector such as banks can share a bank account with someone who already has one. Migrants can to share a bank account with a close relative or friend who has full documentation and access (Atkinson, 2006; Datta, 2009). They may use this account to store their services or collect their wages which will be directly deposited by the employer (Datta, 2009).

This is a common practice amongst migrants living in the UK. However this is also risky as the owner may make use of the money in the account or just disappear leaving the migrant with no access to their money (Datta, 2009). Some Brazilian migrants living in the UK experienced this. They had been using their flat mate’s account to store their savings. One day they came back home, and the flat mate had moved out and went with all their savings. They lost all the money they had been saving as they were unable to trace the flat mate (Datta, 2009).

Buying bank accounts is also another option for migrants wishing to have access to the formal financial service providers. Staff at banks can take bribes from migrants in exchange for them help in opening bank accounts (Datta, 2009). A third strategy for those struggling with documentation would be to purchase fraudulent documents which they use to open the bank account (Datta, 2009; Hagen-Zanker & Mallett, 2016).

Some may prefer to make all their transactions in cash. Millions of migrants make financial transactions without ever coming into contact with mainstream services (Temkin & Sawyer, 2002). Migrants who do not trust financial institutions or cannot access their services may opt to keep their money on them at all times and make all their payments in cash as this is very dangerous (Datta, 2009).

2.5. Social Exclusion

According to the UN (2015, p. 18), "social exclusion is a state in which individuals are unable to participate fully in economic, social, political and cultural life, as well as the process leading to and sustaining such a state". Those who are more likely to be socially excluded include individuals from ethnic minority groups, low income households, the disabled, the young and elderly among many others (Levitas et al., 2007). It is a dynamic and multi-dimensional process caused by inequalities in power relationships (Dumela et al., 2008).

The main dimensions in social exclusion are economic, political, social and cultural and it occurs at different levels which are individual, household, group, community, country and the global level (Levitas et al., 2007). According to Miliband (2006) social exclusion can be looked at in three ways which are wide exclusion, concentrated exclusion and deep exclusion (Miliband, 2006). Wide exclusion refers to the large number of people excluded from a single or number of indicators (Levitas et al., 2007; Miliband, 2006).

Concentrated exclusion is concerned with the geographic concentration of problems and deep exclusion looks at the exclusion of people on multiple and overlapping dimensions (Levitas et al., 2007; Miliband, 2006). The result of this is unequal access to resources, capabilities and rights for those excluded (UN, 2016). Thus, the quality of life, social participation, cohesion and equity of an individual are affected by this (Shah & Ullah, 2014; UN, 2016).

Social exclusion results in poverty. Those that are socially excluded do not have access to opportunities that can improve their income, standard and quality of living thus leaving them in poverty (DFID, 2005; Shah & Ullah, 2014). Thus, economic growth and an increase in income levels will not benefit them at all as they are denied access to opportunities (Stewart, 2004). This also leads to a reduction in productive capacity of the society and its attempts at poverty reduction (DFID, 2005). Poverty in social exclusion also includes the unequal participation of groups in the society and the economy (Levitas et al., 2007). The labour market is a perfect example of this in which some groups are exploited due to their powerlessness reproducing exclusion (DFID, 2005).

It occurs in both public institutions such as the legal, education and health systems and in social institutions such as the household (DFID, 2005; Shah & Ullah, 2014). However, the extent and degree to which different groups are affected by social exclusion at differs. For example, ethnic minorities may suffer from exclusion especially the women, in the same vein disabled ethnic women may be affected more than their able bodied counterparts (DFID, 2005). The process of exclusion itself occurs when institutions behaviour reflects, enforces and reproduces the prevailing social attitudes and values especially those of the powerful groups in society (DFID, 2005; Levitas et al., 2007).

This can be done directly or deliberately such as institutions having discriminatory policies, laws and programmes (DFID, 2005). For example, in Pakistani courts the evidence presented by a Muslim woman is worth half of that of a man (Datta, 2009). Another example is the caste system in some societies in which someone's position in society is determined by their heredity (DFID, 2005). This can result in a sense of powerlessness in which people lose their confidence and ability to challenge exclusion (DFID, 2005; Levitas et al., 2007).

Conflict and insecurity are also products of social exclusion. Those that are socially excluded have limited influence and decision-making power and are unable to demand accountability from those in power (Hagen-Zanker, 2014). These grievances are then turned to protests in which excluded groups mobilise to demonstrate against their system that results in them being excluded (DFID, 2005; Stewart, 2004). Even though the intention is to carry out the process peacefully violence may break out or the governments in those societies may respond to the protests with violence (Stewart, 2004).

For example, in Guatemala a peaceful protest ended up being a 20-year civil war showing the extent to which these uprisings can escalate (DFID, 2005). Political and social inequalities are often the cause of conflict, which results in violent outbreaks (Stewart, 2004). On the economic exclusion to unemployment can also result in conflict. For example, young people who fail to get a job may join gangs in order to feel powerful (DFID, 2005; Stewart, 2004). This is a common practice in Central America in which disenfranchised young men join territorial or identity-based gangs to feel included (DFID, 2005).

Migrants groups have some of these characteristics common amongst socially excluded groups. Not only do they have low educational levels, which mean their skills are limited and so is their income level (Anderloni & Vandone, 2014; Stewart, 2004) . Thus, also has an impact on the information and knowledge at their disposal concerning financial services (Anderloni & Vandone, 2014). Unemployment rates are higher amongst migrant groups and ethnic minorities compared to the rest of the population (EUKN, 2019). They are more likely to live in unpopular and overcrowded houses in deprived areas (SEU, 2001).

These areas are prone to high unemployment, poor housing, crime, poor health and family breakdown (EUKN, 2019; UN, 2016). This is also known as spatial exclusion in which people who live in remote areas may be unable to participate in national economic and social life (DFID, 2005; Miliband, 2006). There is social stigma attached to certain places and this may affect an individual's ability to participate in the economy and society. For example people from the wrong part of town such as the favelas in Brazil may find it hard to get a job because of the social stigma attached to where they come from (DFID, 2005).

Migration can be an escape from poverty through remittances sent home by migrants improving the quality of living of their families back home (Khan et al., 2015). However, it is also a cause of social exclusion because it a product of inequality of power relations in social interactions, it can destroy the relationships between people and societies (Khan et al., 2015). Migrants do not enjoy the same social, economic and political benefits and rights as the locals in the communities they would have migrated to (Khan et al., 2015; Stewart, 2004).They are forced to settle for low paying jobs and to reside in overcrowded vulnerable areas such as slums which are often deprived of basic services (Khan et al., 2015; Levitas et al., 2007). Many Zimbabwean migrants in South Africa find themselves in such desperate situations having to reside in informal settlements and settle for low paying jobs due to them being foreign nationals and not being afforded the same opportunities as locals.

2.6. Financial Exclusion

"Financial exclusion refers to a process whereby people encounter difficulties accessing and/or using financial services and products in the mainstream market that are appropriate to their needs and enable them to lead a normal social life in the society in which they belong" (Anderloni et al., 2008). The concept or term of financial exclusion was coined by geographers in 1993 who were concerned closures of bank branches which resulted in people being unable to access banking services (Anderloni et al., 2008). Over the past few decades there has been an increase in the withdrawal of financial infrastructure from rural and low income areas (Goodwin et al., 1999).The 1990s saw an increase in research on the difficulties faced by some communities in accessing financial services and eventually in 1999 the term financial exclusion broadened to refer to people with limited access to mainstream financial services (Anderloni et al., 2008).

Groups and individuals most vulnerable to financial exclusion include the unemployed, disabled, single pensioners and lone parents (Anderloni et al., 2008; Resolution Foundation, 2014). Race and ethnicity are also characteristic of financial exclusion as a study showed that it is also much more common in African, Caribbean, Pakistani and Bangladeshi households and other ethnic minorities (Anderloni et al., 2008; Resolution Foundation, 2014).In European countries such as Belgium and Poland financial exclusion is concentrated amongst migrant groups despite the high levels of transaction banking (Anderloni et al., 2008) Thus, migrants are more likely to be socially and financially excluded due to their income status not being able to bear the costs associated with using mainstream financial services.

Financial exclusion is also gendered as many women lack access or forego their access to financial services. It has been stated that women are twice as much more likely to be financially excluded than men (Anderloni et al., 2008; Goodwin et al., 1999). In the UK women are less likely to hold bank accounts compared to men especially those from ethnic minorities as they are limited by income, having children and economic status (Anderloni et al., 2008). It is also a common practice for married women to give up their bank accounts when they quit their jobs to have children (Anderloni et al., 2008). The case of South Asian and Pakistani women who are unable to access bank accounts on their own is a good example of this.

Educational levels and income also affect one's ability to access to financial services. Those that are less educated and have less income are more likely to be financially excluded due to ac of knowledge and not being able to afford these services at the same time (Anderloni et al., 2008; Goodwin et al. 1999). Financial exclusion has several causes. These include societal factors characterised by the demographic change and liberalisation of financial service markets resulting in complex financial products and providers creating technological gaps (Anderloni et al., 2008).The main causes are location , costs, self-exclusion, marketing and product design (Sinclair, 2001) This has led to non-participation by many including migrants due to a lack of understanding or confusion (Anderloni et al., 2008)

Supply side and demand factors contribute to financial exclusion in which banks refusing to provide bank accounts or services to people that do not meet certain criteria e.g. credit scores, unstable employment patterns, proof of residence, inadequate identification especially when it comes to migrants (Anderloni et al., 2008). Many financial institutions prioritise affluent customers and are not too concerned with those with lower incomes (Sinclair, 2001) Identification and proof or residence are common challenges that hinder many migrants from accessing financial services as they may not have work/residence permits and/or proof of residence (Datta, 2009). Another challenge related to this is that of location or geographic access as many banks are reluctant to operate in areas with disadvantaged groups that fail to meet their criteria (Anderloni et al., 2008; Muhammad et al., 2018; Sinclair, 2001).

Many financial institutions have 'red-lined' certain neighbourhoods and population groups they are not willing to serve (Sinclair, 2001).Changes in the labour market have also contributed to financial exclusion. Attempts at increasing flexibility in the market has also led to a decline in job security (Anderloni et al., 2008; Muhammad et al., 2018). Lastly an increase in restrictions in the financial sector to limit money laundering for terrorist activities has also resulted in people having limited access to financial services (Anderloni et al., 2008).

Demand side factors are those factors that deter people from making use of financial services (Anderloni et al., 2008). Here people choose not to make use of financial services due to cultural and psychological reasons (Muhammad et al., 2018; Sinclair, 2001). For example people may not trust banks especially the elderly who would prefer to transact in cash enabling them to account for all the money they spend (Anderloni et al., 2008). Muslims also choose not to make use of financial services as the Qur'an prohibits the receipt of interest which is a common practice in many financial services (Muhammad et al., 2018). Others may simply feel that the products or services on offer are not well suited for their needs (Sinclair, 2001). Migrants may have a general distrust of banks and other financial institutions or fee like the services provided do not cater to their needs e.g. the lack of bilingual staff to solve the problem of language barriers (Anderloni et al., 2008).

It is also important to note that there are different levels and degrees to financial exclusion these relate to banking, credit and savings. In terms of the degrees of financial exclusion the World Bank differentiates between the formally served populations and those that are financially served i.e. those that make use of informal financial services (Anderloni et al., 2008). Both groups are prone to financial exclusion, but the latter is affected to a greater degree. There are three levels of financial exclusion which are determined by how accessible financial services are to an individual. These are unbanked, marginally banked and fully banked. Those that are unbanked have no access to banking services at all (Anderloni et al., 2008; Sinclair, 2001).

At the marginally banked level, individuals have access to bank accounts but with limited functions. They may have a deposit account but will not have access to electronic services, payment cards or a cheque book (Anderloni et al., 2008). At the fully banked level people have access to a wider range of services that enable them to meet their needs (Anderloni et al., 2008). The levels of financial services are not only limited to banking but stretch to other areas as well such as credit. Credit is an important financial tool as it protects individuals against income shocks (Anderloni et al., 2008; Sinclair, 2001). The main challenge related to credit is the risk analysis or creditworthiness of individuals requirements which many fail to meet (Anderloni et al., 2008; Sinclair, 2001).

Financial exclusion can be measured according to three financial needs which are access to credit, ability to make day to day payments and ability to protect key assets (Connolly et al., 2011). Access to credit enables individuals to obtain goods that go beyond the monthly budget and protects them against income shocks (Connolly et al., 2011). Transaction accounts are crucial in one's ability to make their day to day payments as they link them to various payment platforms , and credit and their absence will result in limited payment methods, huge transaction costs and time constraints (Anderloni et al., 2008; Connolly et al., 2011).Lastly insurance is necessary to protect key assets such as homes and cars and manage risk in case of accidents and natural disasters (Connolly et al., 2011; Sinclair, 2001). Therefore, individuals and households failing to meet any or all of these financial needs may be financially excluded.

The main indicators of financial exclusion are set according to the levels of access to services in banking, credit, insurance, debt and debt assistance, long term savings and financial literacy (Sinclair, 2001). Lack of access to financial services goes hand in hand with social exclusion as it decreases an individual's economic opportunities which also leads to poverty and also prevents societal integration (Anderloni et al., 2008; Lämmermann, 2010;
Resolution Foundation, 2014). Generally financial exclusion like social exclusion limits one's opportunities to participate in their society with individuals being able to participate at different degrees (Anderloni et al., 2008).

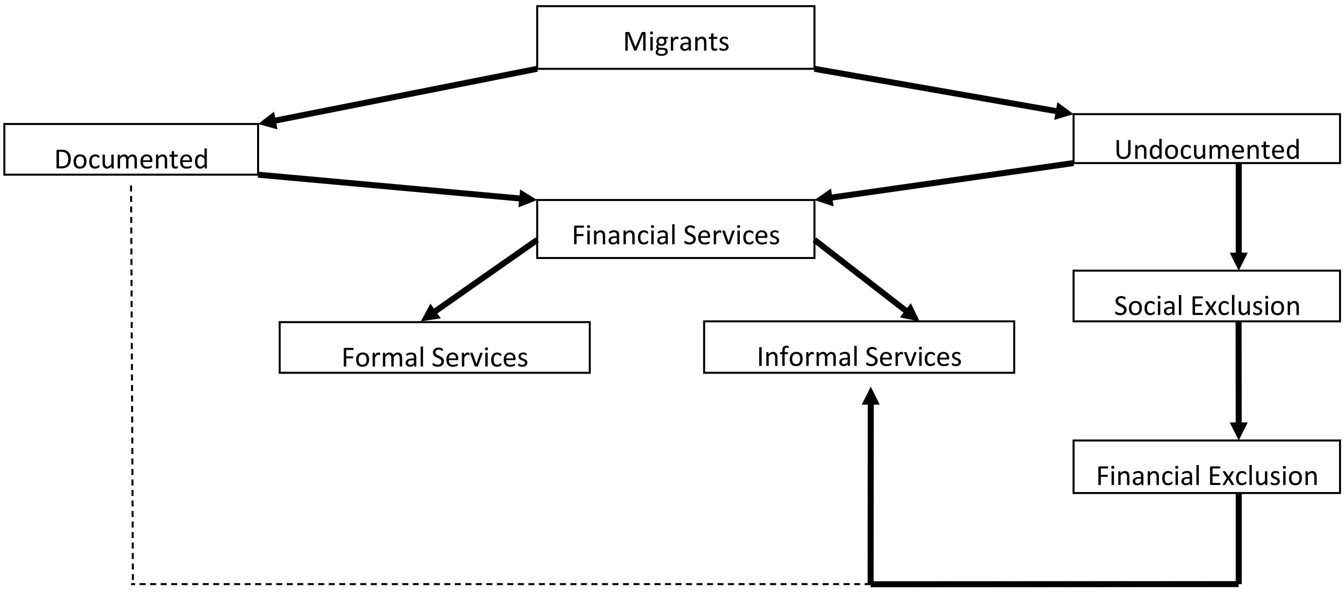
Financially excluded individuals are unable to have to social relations, participate in the labour market, have basic service provision and are impoverished (Sinclair, 2001). Research has shown that complete financial exclusion is closely linked to low income thus low-income households are most vulnerable to financial exclusion (Anderloni et al., 2008). It increases their costs for basic services, forcing them to use illegal high cost lending reinforcing social exclusion (Resolution Foundation, 2014). Like social exclusion, financial exclusion is multidimensional it is not only limited to low incomes but stretches to psychological and cultural barriers (Anderloni et al., 2008; Muhammad et al., 2018). It is also multi-layered as it is present at an individual, household, community and institutional level (Anderloni et al., 2008).

2.7. Analytical Framework

The analytical framework of the study was guided by the main concepts of the study these are migrants, documentation, financial services, financial exclusion and social exclusion. The purpose of the framework is to show the link between the different concepts in the study and how they inform the study. The main subjects of the study are Zimbabwean migrants in South Africa who need and make use of different financial services. Since they are not one homogeneous group, they are split into two categories: the documented and undocumented category. The diagram below illustrates the conceptual framework of the study.

Migrants are at the centre and split into two categories the undocumented and the documented category. Both categories of migrants need and make use of financial services. The category of migrants determines the type of financial services they can make use of. Documented migrants have access to both formal and informal financial services whilst the undocumented category only has access to the informal services. It is also important to note the link between the use of informal financial services by undocumented migrants to financial exclusion and social exclusion. These migrants are excluded as they do not have access to formal financial services. They have less economic and social power as a result and are unable to fully participate in South African society and the economy.

Fig. 2.1: Conceptual Framework of the Study



2.8. Zimbabwean Migrants in South Africa

Zimbabweans are said to represent most migrants in South Africa. While there is no agreement on the population of Zimbabweans living in South Africa, mainly because of the complexity of Zimbabwean migration, there is a consensus that a large proportion of Zimbabweans lives and work either legally or illegally in the country. Of course, Zimbabwean migration to South Africa has a long pedigree and dates to the early twentieth century, the numbers have certainly increased since the 2000s. As Crush and others have noted about the history of Zimbabwean migration into South Africa:

> Zimbabweans were never firmly or comprehensively integrated into the South African migrant labour system, primarily because there were alternative employment opportunities on Zimbabwe's own mines and commercial farms and in the towns. However, young men from border communities neighbouring South Africa often found it easier to cross into that country for work. In the 1970s, there was an ill-fated attempt by the South African gold-mining industry to recruit Zimbabwean labourers in the urban areas of the country…. In general, except for white settlers who left the country permanently after independence, migration to South Africa took the form of temporary circulatory movement (Crush et al. 2015, 366 – 367).

This section begins by exploring the history of Zimbabwean migration into South Africa and the different phases of migration before looking at economic migrants. This is followed by a section on social networks, which illustrates the facilitation of migration by social networks before proceeding to look at porous borders. Next are the categories of Zimbabwean migrants living in South Africa. This section is crucial to our understanding about the subjects, the Zimbabwean migrants, and provides a background that is key to our understanding of the challenges they face. The next section then examines the migration intensions and tensions faced by Zimbabwean migrants working in South Africa before the chapter is summarised.

2.8.1. Phases in Zimbabwean migration

Trends in Zimbabwean migration have also changed from circular and temporary migration (Makina, 2010; Muzvidziwa, 2001; Tevera & Zinyama, 2002), to semi-permanent and permanent type (Crush et al. 2015). The 'flood'[2] of Zimbabweans into South Africa has been attributed to the general economic collapse since 1995, but was given further impetus by the crisis in the early 2000s.

Zimbabwean migration into South Africa can be broken down into three time periods: the first being the pre-independence period dating back to the 1920s, which was characterised by labour migrants working in South African mines and the agricultural sector. The next period is the post-independence period from the mid-1980s to mid-1990s, with an increased 'flow' of migrants into South Africa due to a decline in the Zimbabwean economy. The third phase is from the year 2000 and beyond.

In the 20th century Zimbabwe was both a sending and receiving country of labour migrants. However, it received more migrants than it sent out (Mlambo, 2010). Zimbabwean migrant workers engaged in circular migration where they went to work in South African mines and industries. This was facilitated by the Witwatersrand Native Labour Association (WNLA), which adopted a contract labour system where labour was subjected to certain restrictions and controls (Macheka et al., 2015; Thebe, 2016). The labour migrant system illustrates the dual labour market theory in which migration is driven by a labour demand, in this case South Africa was in need of low skilled labour in its industries (Kurekova, 2011) .

Zimbabwe contributed to the South African mines labour complement; however, their number was significantly smaller than those of other neighbouring countries (Mlambo, 2010). From the

[2] Some scholars have argued against the use of aquatic metaphors such as waves, flows, flood stating that they are responsible for the upsurge in xenophobia as the native population will start to believe that their livelihood is under threat from the foreigners.

1970s these numbers began to increase as the Malawian labour supplies dried up. As time went on labour migration to South African mines became a rite of passage for many young men who went to mines to raise money for colonial taxes and other expenses such as lobola (Mlambo, 2010). In 1981 the Zimbabwean government ended the migrant labour system to South Africa, but 7000 Zimbabweans remained in South Africa working illegally (Mlambo, 2010). They worked in factories, farms and white homes of apartheid (Thebe, 2016).

The second phase of Zimbabwean migration came about as a result of the Economic Structural Adjustment programmes (ESAPs) imposed by IMF. These resulted in economic decline in Zimbabwe, with the government having to cut down on public expenditure in order to promote economic growth and Foreign Direct Investment (Crush et al., 2012; Potts & Mutambirwa, 1998). This also led to the loss of 23 000 public sector jobs between 1991 and 1997 (Crush et al., 2012). Thus, unemployment and economic hardships resulted in an increase of migrants from Zimbabwe to South Africa in search of better economic opportunities. Thus, there was a change in the profile of the migrants from mainly male migrants working in the mining and agricultural industries to many professionals from all industries (Bank, 2017). The increased 'flow' of migrants into South Africa resulted in the government introducing strict visa requirements in 1996 (Crush et al., 2012).

Migrants were required to provide a proof of enough funds and a letter of invitation from a hosting person (Thebe, 2016). This was done to control the number of migrants coming into the country with only a few being an able to afford the required visa and other costs associated with it. However, this also had the unintended consequence of irregular migration with many migrants entering the country illegally or entering legally and overstaying their visitor's visa to work illegally in the country.

Three immigration amnesties were approved by the South African cabinet between 1995 and 1997 allowing foreigners who had worked in the mines for ten years, had worked in South Africa for 10 years and could provide a proof of occupation and residence and for Mozambican refugees allowing them to remain in the country (Peberdy, 2001). Additionally through a special dispensation the government was able to secure a constant labour supply for commercial farms in Northern Limpopo (Bank, 2017; Rutherford, 2010; Thebe, 2016).

The third phase of migration started in the early 2000s. In 2002 the South African government introduced the Immigration Act, which shifted the focus from unskilled to skilled immigration. This was an attempt by the government to attract skilled foreign labour in order to maintain the economic growth of the country (DHA, 2017; Thebe, 2016). Here a list of categories for critical skills was drawn from which permits could be given. This resulted in a brain drain in Zimbabwe with many foreign professionals moving to South Africa. In 2009 the South African Government granted Zimbabweans a 12-month special dispensation permit (Bank, 2017; Thebe, 2016). Through this permit holders were allowed to work in the country for three months at a time stopping deportations and the previously imposed visa requirements (Moyo, 2018; Thebe, 2016).

This was then replaced by the ZDP in 2010 which was a temporary solution to the increase in economic migration. It offered permits to migrants who were working, schooling or running businesses in South Africa. The requirements were a proof of residence, a passport, proof of employment or entrepreneurship (Thebe, 2016).This also maintained the South Africa's stance towards Zimbabwean migration as mainly driven by economics (Bank, 2017). These permits expired in 2014 and holders could renew them under the same conditions and granted three years after which they would have to apply for a permit through the normal channels.

This period has also seen an increase in female migrants as compared to previous phases where migrants were mostly men (Mlambo, 2010). Additionally, modern day migrants are different from those from previous phases as they migrate to South Africa on a more permanent basis and return to Zimbabwe less frequently (Crush et al., 2012).

The phases of Zimbabwean migration can also be analysed on a more personal level. This entails looking at the stages in the lives of Zimbabwean migrants in South Africa. The starting point would be measuring or analysing their arrival in the country and their intensions upon migrating from the time of their arrival in the country to the present. In each phase the migrants have specific goals and needs. For example, upon arrival the main concern of migrants is to find a job in order to cover their living expenses and have enough to send home if they are supporting their family. The next phase could be finding a better job in order to improve their standard and quality of life and the amount they can send home or to bring their families to live with them.

The next phase would be capital and asset accumulation in which migrants are more settled and look to buy houses or invest in other assets. The legal status of migrants is central in their phases or stages in migration. Those in the first phase are usually undocumented or irregular with the last two phases having more documented migrants. The participants in this study are all at different phases with some having been in the country for over a decade and others having just arrived into the country.

One female migrant had arrived in South Africa two years ago using informal channels and was working illegally as a maid. She said her main intensions were to support her two children back home. She earns just enough to support herself and send money to her children back in Zimbabwe. Her employer provides her with accommodation and monthly groceries thus her living expenses are well covered. She has no intentions of finding a place of her own now with her only wish being to earn more money so she can send her children more money. She remains undocumented thus she does not go home too often and has no intensions of moving back to Zimbabwe anytime soon. Furthermore, she can only access informal financial services mainly relying on buses and relatives who will be returning home to send money to her children.

Another female participant in the study has been in the country for 16 years and was in the third phase or stage of migration. Like many migrants she came into the country illegally in 2003 in search of employment. She explained:

> My first job was a cleaning job in Pretoria for a Doctor. Being the youngest in my family and with other siblings supporting our elderly parents my main concern or objective was to earn enough money to sustain myself. I worked as cleaner for four months before doing a secretarial course which enabled me to get a better job, with the help of my sister. As I earned more money through this job, I was able to save some money and help with rent, bills and other expenses as I was staying with my sister. My secretarial course also opened more opportunities for me, and I was eventually able to move out of my sister's place and get a flat on my own. In 2009 I was able to get a work permit through the Zimbabwe Special Permit programme (ZSP) which also opened more economic opportunities for me especially formal financial services. I was able to secure a job at one of the level one law firms in South Africa and I bought her first car through a bank loan. At the present moment I am building a house back in Zimbabwe which I intend to rent out for extra income and looking to establish a business in South Africa through my savings. I only visit Zimbabwe during the festive season and even though I have access to formal financial services I sometimes make use of informal financial services to send money to my parents in Zimbabwe (Interview, Pretoria, June 2019).

This illustrates the different life stages Zimbabwean working in South Africa may go through however no two migrant experiences are identical. These two accounts not only illustrate the different stages in the lives of migrants in South Africa. It also illustrates the change in the demographic profile of migrants from mostly male migrants in the pre independence period to a more gender balanced profile and the diversity of industries migrants are employed in. These two participants also characterise the third 'wave'[3] of migrants mentioned by Crush et al (2012). This 'wave' is made up of migrants in the post 2003 era who travel to their home countries less frequently as their host country becomes a longer-term destination thus relying on informal remittance channels (Crush et al., 2012; Ranga, 2018). Third 'wave' migrants include low-skilled, over stayers and professionals. The above-mentioned participants all fit into this category as they were irregular migrants with low skills with one of them becoming a professional as time progressed.

Thus, this section has explored the different phases of Zimbabwean migration by looking at the history of Zimbabwean migrants at different time periods, the circumstances that resulted in migration and the characteristics of the migrants in each phase. The lives of the migrants were also examined to determine the phase in which they belong to and the stages in their lives from their time of arrival to the present.

2.8.2. Zimbabwean economic migrants

Economic migrants emigrate in search of better economic opportunities. Zimbabwean migrants working in South Africa can be classified as economic migrants. Economic decline in the post-2000s serving as a push factor resulted in many Zimbabweans including professionals migrating to South Africa (Mlambo, 2010). The main attraction or pull factor here is South Africa's stable economy, which present better economic opportunities for Zimbabwean migrants through employment. These migrants have maintained a strong relationship with their home area either through occasional visits or flow or remittances (Thebe & Maombera, 2019).

All the participants in the study can be classified as economic migrants as they came to South Africa in search of employment and better economic opportunities. They all stated that they continue to support their families in Zimbabwe financially and thus regularly make use of various remittance channels to send money to Zimbabwe. Even though they occasionally visit Zimbabwe some have also established themselves in South Africa and are looking into accumulating capital and other assets such as homes and cars. Thus, there is a need for these migrants to have access to financial services. One participant explained:

[3] Some scholars have argued against the use of aquatic metaphors such as waves, flows, flood stating that they are responsible for the upsurge in xenophobia as the native population will start to believe that their livelihood is under threat from the foreigners.

> I came to South Africa with the intention to get a job and support myself and my younger siblings in Zimbabwe. Having spent more than a decade working in the country I have established a good life for myself here and I am looking to buy a house here which requires me to have access to home loans as I cannot pay for the house, I want upfront. Thus, access to financial services is not only crucial for supporting my family back home but also for my own needs here in South Africa. (Interview Pretoria, June 2019).

There are many Zimbabweans in the same situation as this participant needing access to financial services to achieve their goals upon migrating to South Africa. Thus, access to financial services is a crucial factor in economic migration as it a link between migrants and economic opportunities.

2.8.3. Social networks

Even though modern-day migration from Zimbabwe to South Africa is driven by economic motives cultural ties also play an important role in facilitating this migration. According to the social network theory the existence of diaspora networks has a huge influence in migrants' destination choice (Kurekova, 2011). Social networks have an influence on migration due to historical cultural ties between communities in both countries and the need for family reunions. Family reunions migration refers to migrants moving to a foreign land where their families reside with the intension to join them there (Kurekova, 2011). Historically different countries had cultural ties with people moving from one place to another with ease as ethnic boundaries were fluid (Mlambo, 2010).

These movements did not stop even after the establishment of colonial boarders with local communities ignoring these boundaries, maintaining relationships and networks with their kin and kith. Even though the migrant in the study migrated for economic reasons they all did so with the help of their social networks, reuniting with their family members in South Africa who had migrated before them. Thus, their migration helped maintain their relationships with their relatives and social networks.

Cultural ties are helpful in migrants blending into the societies they would have migrated to and building a social network. There are many historical cultural links between Zimbabwe and South Africa due to pre-colonial ethic ties resulting in some similarities between the two. Migrants from communities with similar cultures including language can blend easily with locals whilst attempting to legitimise their existence and right to work (Kurekova, 2011; Thebe, 2016). These were also strengthened by the labour migrancy system which enabled the establishment and maintenance of social networks between tribe members across the border (Mlambo, 2010). Some Zimbabweans especially those from Matabeleland find it easy to blend into South African society due to language and cultural similarities.

Those from Matabeleland speak Ndebele, which is very similar to Zulu and their traditions have some similarities as well making it easier for them to blend in with South Africans. According to one of the participants:

> When I came to South Africa I managed to blend in quite easily as I could understand Zulu which is very similar to my native language which is Ndebele. I was also fortunate enough to meet some South Africans at work who share the same last name as me and literally adopted me into their family. They invited me to family functions and assisted me whenever I needed help as one's family normally would. I was able to establish more networks which helped me in getting a better job and blending into the community I was residing in (Interview, Pretoria, June 2018).

According to Blumenstock et al., (2019), many migrants prefer interconnected networks where friends know many friends as they derive more utility from networks that provide social support (Blumenstock et al., 2019). Social networks provide migrants with information related to opportunities and conditions in their desired destinations (Hagen-Zanker & Mallett, 2016). Additionally, local social networks assist migrants with their desire and ability to leave home. They thus act as a safety net providing material and social support (Blumenstock et al., 2019). It should be noted that different occupational classes use different types of networks. Highly skilled professional migrants tend to use colleagues and organisations whilst unskilled migrants rely more on relatives and other kin-based networks (Blitz, 2010).

Fourteen of the 16 participants came to South Africa with the help of their social networks in the form of a family member or a friend helping them from the time of their departure, arrival and establishing themselves. A lot of the time the *malayisha* system is used as a medium to transport migrants from Zimbabwe to South Africa directly to their family members or social networks. *Omalayisha* are particularly useful in this case as they are socially embedded, being built on strong social and communal relations (Thebe & Mutyatyu, 2017). One of the participants mentioned that she came to South Africa with the help of her sister who paid umalayisha to transport her to South Africa. She explained:

> My sister had been working in South Africa for 5 years when I came to South Africa. She thus organised my move from Zimbabwe to South Africa. She is the one who made my travel arrangements with umalayisha that brought me to South Africa from Zimbabwe. When I got here, I was staying with her in a flat and she had already gotten me a job as a cleaner. I also realised that she had established a lot of relationships with many Zimbabweans in Pretoria and these networks were helpful in my economic advancement and wellbeing providing much needed social and economic support (Interview, Pretoria, June 2019).

Therefore, social networks are crucial in the successful migration of Zimbabweans to South Africa in search of better economic opportunities as they provide a good support structure and are a source of information and opportunities. These networks are made possible through both cultural ties and relationships with friends and family.

2.8.4. Porous boarders

The porousness of the South African border has to be one of the biggest contributors of the successful immigration of Zimbabwean migrants from all migrant categories into South Africa. It is often easier for Zimbabweans to migrate to South Africa because of several factors. First Zimbabwe geographically shares a border with South Africa. The imposition of colonial borders did not stop movement into and out of southern African countries. Ethnic boundaries allowed individuals to move from one group of the population to another quite easily (Mlambo, 2010). Thus there are certain cultural and linguistic ties between certain Zimbabwean ethnic groups, which make it easier for Zimbabweans to integrate into South African society (Mlambo, 2010; Rutherford & Addison, 2007). One of the participants alluded to the fact that linguistic similarities made it easier for him to integrate into South African society. He explained:

> When I first came to South Africa I lived in Johannesburg and I quickly adapted to my environment as I spoke Ndebele which was very similar to Zulu. This not only helped me in navigating the city, but I found it easier to establish friendships with locals (Interview, Pretoria, June 2019).

This was also useful for some migrants as they were assisted by their social networks to obtain South African documents both legally and fraudulently through the process of '*khupa faka*' (Thebe, 2016). Third is the labour migrancy system which made it easier for migrants to move back and forth between mining centres and plantations in South Africa and their home countries (Mlambo, 2010). This also enabled the establishment of networks in South Africa which facilitated the migration of those remaining in Zimbabwe to South Africa (Muzvidziwa, 2001).

Prior to the 1990s many Zimbabweans crossed the South African border in search of employment with ease. However, worsening economic conditions in Zimbabwe due to ESAPs resulted in the South African government setting tighter migration requirements making it hard for many Zimbabwean migrants to enter the country legally. This resulted in the emergence of irregular migration in which many migrants entered the country illegally (Mlambo, 2010). One of the participants explained:

> Due to the decline in the Zimbabwean economy caused by ESAPs my sister decided to come to South Africa in 1998 to look for a job. She was part of the kitchen staff at a lodge in Gweru. However, the lodge was not doing well due to the worsening economic conditions thus she was retrenched. Unable to find a job elsewhere, with just a ZJC certificate as her highest qualification and limited funds at her disposal, she decided to come to South Africa illegally (Interview, Pretoria, June 2019).

This was the situation many low skilled Zimbabwean migrants in South Africa found themselves in. They could not afford to pay for a passport let alone a visa and were not professionals, forcing them to come to South Africa illegally.

Corruption is central to the South African border being porous which enables the smuggling of people across borders. Smuggling of migrants can be defined as the procurement, in order to obtain, directly or indirectly, a financial or other material benefit, of the illegal entry of a person into a state party of which the person is not a national nor a permanent resident (UNCATOC, 2004). One common option used by many to cross the border illegally is through *omalayisha*. These are commuter omnibus drivers who smuggle migrants across the border at a price. They are well connected with border officials from both sides of the border, who are bribed in order to allow people to cross the border (Thebe & Mutyatyu, 2017).

The migrants have two payment options they can pay upfront or pay forward when the service has been rendered by the *omalayisha*. They make use of both formal and informal channels with the price charged according to the channel used to smuggle the migrants. 9 of the 16 participants in the study came to South Africa with the help of *omalayisha*, 4 of them using informal entry points and the remaining 5 using formal entry points through the border.
One of the participants in the study mentioned that when they first came to South Africa in 2003, they paid *umalayisha* R300 to help them cross the border:

> When they got to the border the driver first went out to an official who they gave the money to who then signalled his colleague to let them through. She was not asked for her passport when an official came to check the documents of the people inside the car (Interview, Pretoria, June 2019).

Another option is to physically cross the Limpopo River through various shallow points. Here many *omalayisha* provide a crossing service using dingy boats as the main means of transporting migrants across the river (Ncube, 2017). Migrants can pay anything between R50 and R100 for this service depending on the time of crossing and the water levels in the river (Ncube, 2017). However, this is very dangerous due to river being infested with crocodiles and an increase in robbers waiting to pounce on unsuspecting individuals (Rutherford & Addison, 2007) (Ncube, 2017).

In addition to this migrant also run the risk of drowning whilst crossing the river. This may be due to heavy flooding or accidents which result in people falling into the water and drowning if they are unable to swim (Mpondi & Mupakati, 2018). This option is mainly used by those working on farms which are near the border in the Limpopo province or desperate individual with limited funds at their disposal (Ncube, 2017).

Because illegal migrants are a source of cheap labour, sometimes farm owners provide the boats that are used by these illegal migrants to cross the river themselves. One participant once crossed the river physically through a shallow point mentioned that he had to pay a group of young men to help him R100 cross the river. She explained:

> I came with a friend who had used them previously and knew how they operated. Whilst crossing the river we had to form a human chain to prevent being swept away by the water. After crossing we also had to bribe another group of guards to let them proceed to the nearest bus stop where he would get transport to Johannesburg. These guards worked together with the young men who had helped us cross the river which made the process a bit easier (Interview, Pretoria, June 2019).

Thus, also points out the problem of poor border management as corruption goes unchecked as security is neglected with cross border crimes becoming rampant (Dithebe & Mukhuba, 2018).

This section explored the porousness of the South African border due to poor border security and management. The different methods and mechanisms adopted by migrants were also discussed with personal account from the participants illustrating how migrants manage to by-pass the border security system.

2.8.5. Categories of Zimbabwean migrants in South Africa

Migrants are not a homogenous group even though they may have similar characteristics and experiences no two groups are identical. Their differences and experiences are a result of many factors such as documentation, background, purpose of migration among many others. International migrants can be placed into two broad categories based on their legal documentation (Lehlola, 2015). Those entering a country and remaining there legally are referred to as documented migrants whilst those entering a country unlawfully and remaining there with no authorisation are referred to as undocumented migrants (Lehlola, 2015). Documented migrants include asylum seekers, refugees, and passport and permit holders.

2.8.5.1. Permit holders

Permit holders can be further classified. Permanent residence permits allow migrants to reside in a country permanently. Temporary residence permits for study and work purposes allow migrants to work or study in a country for a limited time according to their contract and return to their home country upon its expiry. Temporary migration is ideal for governments of receiving countries due to their flexibility in adjusting the labour supply to the economic business cycle (Bassarsky et al., 2013). 7 of the 16 participants in the study had permits with 2 having study permits and the rest having ZSP work permits.

2.8.5.2. Asylum seekers

An Asylum seeker is an individual who flees their country of origin and seeks recognition and protection as a refugee in the country they would have migrated to (DHA, 2019). Under the United Nations Convention 1951 a refugee is a person in need of protection whose removal from their home country and has a well-founded fear of persecution for reasons of race religion, nationality, political opinion or a membership in a particular social group" (UNHCR, 1951).

Many Zimbabwean migrants do not qualify for asylum or refugee status as they would have migrated for economic reasons. This then contributes to the increase in irregular of illegal migrants.

2.8.5.3. Undocumented migrants

Undocumented migrants include those who enter a country with fraudulent documentation, those entering using legal documentation but have overstayed their authorised time upon entry and thus remained without appropriate authorisation and documentation (Lehlola, 2015) (Dithebe & Mukhuba, 2018). Those that enter legally and remain in the country illegally fall into two categories. The first is over stayers who enter into the country with their passports and overstay (Thebe, 2016). The second category includes those that enter into the country and remain in the country but have their passports processed out. Undocumented migrants can also be referred to as irregular migrants, as they migrants who are not entitled to reside in the country they would have migrated to (Bassarsky et al., 2013; Cummings et al ., 2015). More than half of the participants in the study can be considered as irregular migrants, 4 of them having overstayed or have their passports stamped, 1 possesses fraudulent documentation and the remaining 4 having no documents whatsoever.

Due to their legal status irregular migrants are barred from working and for those that do manage to find work they are usually subjected to unjust and unfavourable working conditions (UNHRC, 2014). They are vulnerable and thus are at risk of being exploited often receiving low wages compared to other nationals or regular migrants (UNHRC, 2014). They may have difficulties in changing jobs with their situation tying them to one employer (UNHRC, 2014). Eric Mhango is one such migrant who has been working in the hospitality industry but feels exploited. He explained:

> When I first came to South Africa, I got a job as a waiter at a restaurant and the working conditions were bad. I had no contract therefore I had not set off days, had to work double shifts and did not have a basic salary for the first few months, thus I depended on tips. As bad as the conditions were, I had to stay as I was desperate and had slim chances of finding a job elsewhere (Interview, Pretoria, June 2019).

It is important to note that documented migrants can easily become undocumented or irregular migrants due to several reasons such as the failure to renew work permits and changes in legislation. The number of undocumented migrants has been on the increase in South Africa from 1-2 million in the 1990s to an estimated 8 - 10 million by 2005 with more than a quarter of them being from Zimbabwe (Crush et al., 2005). This is important as it not only shows the significance number of Zimbabwean migrants in South Africa but also points out the different categories of these migrants which speak to deeper issues behind this migration. The motives and migration of Zimbabwean migrants in South Africa will be explored in detail in the next section together with the reasons why South Africa was their destination of choice.

2.8.5.4. Participant categories

Out of the 16 migrants that participated in the study 7 fell into the documented category whilst 9 fell into the undocumented category. However, these categories are not cut in stone; out of the 9 in the undocumented category 4 entered the country legally but remained in the country illegally. 3 of them sent their passports with bus operators who got them stamped out at the border and were returned to them the buses returned, to avoid an overstay. 1 participant did not get their passport stamped out but opted to get a fake work permit which they would use to look for a job and to stay in the country. He explained:

> I wanted to get a second passport that I would use for going home and coming into the country. Therefore, I reported my passport stolen and managed to get a new passport which is only used for going and coming back into the country. This passport is also stamped in and out accordingly to avoid overstaying. I use the other passport whilst I am in South Africa. It has my fake work permit and I used it to look for a job and open a bank account (Interview, Pretoria, June 2019).

When these participants want to leave the country, they will repeat the same process getting their passports stamped in so that they can use their passports when they leave. One participant mentioned that she paid R800 to have her passport stamped out at the beginning of the year and another R1 200 to have the passport stamped when she wanted to leave at the end of the year. This shows how migrants can easily shift from being documented and legal to undocumented and illegal. Another 2 participants in the undocumented category had a passport but did not use it when they came to South Africa opting to enter illegally as they could not afford the prices charged by bus operators for stamping out passports. The other 4 had no passport at all and entered the country illegally.

The remaining 7 participants in the documented category all had a valid passport and a permit thus they were in the country legally. When one of the participants first came to South Africa in 2003 to look for a job she came with no passport. According to her:

> When I first came to South Africa, I had no passport. I got my passport a year later but remained illegal as I began to make use of the bus operators to stamp out my passport to avoid an overstay or just jump the border when I had no money to pay for this service. I finally got my work permit in 2008, five years after I had first come to the country (Interview, Pretoria, June 2019).

This also shows that migrants can move from the illegal and undocumented migrant category to the formal and documented migrant category. However, this is much harder than moving from the documented to the undocumented category and takes more time. 2 of the participants are on a study permit but managed to find internships upon completing their studies. Instead of applying for a work permit they opted to renew their study permits as they were easier to get and had less requirements. They both stated that even though they were able to find work on these study permits many employers are not willing to employ migrants on a study permit as home affairs has imposed stricter regulations on employers who employ foreigners.

This section has explored the different Zimbabwean migrant categories. It is quite evident that these categories Are not clear cut as migrants can move from one category to another depending on the type of documentation, they have and the validity of their stay. Many of the participants have shifted from the documented to the undocumented category and vice versa at different periods during their stay.

2.8.6. Migration intentions of Zimbabwean migrants in South Africa

It is important to look at the migration intentions of Zimbabwean migrants working in South Africa and their relationship with financial services. It is important to understand the circumstances that resulted in their migration into South Africa and what attracted them to South Africa before analysing their need and relationship with financial services by looking at the motives for migration. There are various motives and intentions behind the migration of people influenced by push and pull factors.

Push factors force an individual to leave their place of origin to go to another place. These include low productivity, unemployment, underemployment, poor economic conditions, lack of economic advancement, exhaustion of natural resources among many others (Thet, 2014). Pull factors are those that attract migrants to an area such as such as employment, higher wages facilities and better working conditions among many others (Thet, 2014). The motives for migration can be divided into five categories theses are economic, socio-cultural, demographic, political and miscellaneous motives (Thet, 2014).

Zimbabwean migrants working in South Africa can be classified as economic migrants. Economic migrants are driven by economic factors in developing countries such as unemployment, low agricultural income pushing them to areas with more economic opportunities (Thet, 2014). Economic migrants from developing contribute to household incomes in their countries which is much needed, their remittances are important in poverty reduction (Atkinson & Messy, 2015).

Political unrest and economic decline resulted in many Zimbabwean workers migrating to South Africa in search of better economic opportunities (Lehlola, 2015). South Africa is a destination of choice for many Zimbabwean migrants not only for its good infrastructure and stable government but also its economic stability (Lehlola, 2015). Ten out of the 16 participants that took part in the study came to South Africa in search of employment and better economic opportunities whilst the remaining 6 came as students and then remained in the country upon completing their studies.

They were all employed but worsening economic conditions made it harder for them to support themselves and their families. When Esther Ngwenya finished high school, her parents could not afford to take her to a local University. She had to get a job at Pizza Inn as a cashier in order to come up with the tuition fees and support herself. However, she barely made enough money to support herself let alone save up for her University fees. Due to only having an A-level certificate she had a small chance of finding a better job that would meet her needs therefore she opted to come to South Africa to work as a cleaner. She explained:

> I came to South Africa in order to get a job good paying job as there were more opportunities for me here than in Zimbabwe. My sister managed to get me a cleaning job and I hoped that this job would enable me to save up some money and enrol for a professional course which would enable me to get a better job and provide for myself (Interview, Pretoria, June 2019).

The post 2008 period saw an increase in the ‘flow’ of Zimbabwean migrants into South Africa in search of employment. This not only created a problem of crowding but also an increase in the number of undocumented or irregular migrants. Many of these migrants were desperate and driven but the situation back home and were unable to afford the necessary documentation required. Lizzy Nyoni was one such migrant. She explained:

> I had previously worked for the Harare City Council as a street sweeper before I came to South Africa illegally in February 2008 to work as a domestic worker. As many civil servants in Zimbabwe I had gone for several months without being paid by the government and when I finally received my wages, they had lost value due to inflation. Due to limited finances I could not afford to get a passport let alone a visa thus I became an illegal immigrant like many others in my situation. (Interview, Pretoria, June 2019).

The South African government introduced the Dispensation of Zimbabweans project granting Zimbabwean Migrants work permits known as the Zimbabwe Special Permit (ZSP) (Intergrate Immigration, 2019). This not only enabled them to find suitable employment but also curbed the problem of irregular migrants. In South Africa. 4 of the 16 participants managed to get this special permit which enabled them to not only to stay in the country legally but also work or find better jobs that were more suitable for them. Peter Moyo like Esther Ngwenya had come to the country illegally in search of employment. As a construction worker he managed to save up some of his wages which enabled him to get a ZSP visa under the Dispensation of Zimbabweans project in 2008. However these were not easily accessible to all Zimbabwean migrants in South Africa due to the strict requirements such as a proof of employment, valid passport and the administration fee.

Thus, some were forced to remain and work in the country illegally. 6 of the 16 participants were unable to get these permits due to the abovementioned reasons. Pretty Muchagu came to South Africa illegally with no passport to work as a vendor was unable to raise the funds required for the visa and could also not afford to get a passport thus, she remained undocumented and illegal. She explained:

> I heard about the ZSP permits but I could not get one as I did not have money for a passport let alone for the special permit. I had just started working as a vendor and I was only making enough money to support myself, thus I had no money for the permit, and I remained an illegal migrant. This also meant that I could not get a better job due to my lack of documentation (Interview, Pretoria, June 2019).

Thus, Zimbabwean migrants like Pretty, who failed to get the proper documentation had to settle for low paying jobs and poor working conditions as they were desperate. This is the situation many undocumented migrants find themselves in as they are forced to settle for any job, they can get in order to meet their economic objectives of migration.

2.9. Chapter Summary

The purpose of this chapter was to provide a literature review on migrants and financial services which is central to the study. Global literature was used to provide different perspectives and to illustrate the issues surrounding migrants and access to financial services, paying particular attention to migrants in the west. A discussion on migration was the starting point, which explored the push and pull factors that motivate people to migrate. This was followed by the different types of migration that include economic, political, environmental and social migration. The next section looked at the different phases of migration from the point migrants leave their home countries, initial settlement, stable settlement and consolidation. At each phase migrants have different needs and priorities which determine their financial habits and practices.

This was followed by a section on migrants, which explored the different migrant categories - the regular and irregular categories. Here it was established that migrants can move from one category to the next depending on their legal. The next section on financial services which emphasised the importance of financial services in an individual's economic integration especially migrants. Formal financial services are those that operate within the mainstream sector and are not easily accessible to everyone especially migrants such as banking. The main barriers to these are documentation, trust, costs, financial literacy, location and language. Informal financial services on the other hand operate outside the mainstream sector and are more accessible to migrants such as money transfer agents, credit unions among many others. Their unique selling point is the minimum restrictions with regards to documentation and other incentives such as costs, location, language, culture and trust. Informal financial services also require migrants to adopt different mechanisms depending on the services and products they need. There is a wide range of products and services offered by both the informal and formal sectors which include credit, savings and remittances which are important to migrants especially those that support their families back home.

Next was a discussion on financial exclusion which looked at the people prone to financial exclusion, its causes, the levels and degrees at which it occurs and lastly how it can be linked to social exclusion. The next section looked at the concept of social exclusion illustrating the causes, those vulnerable to it, the direct relationship it has with poverty and how migrants can be socially excluded. This was followed by a the analytical framework of the study which illustrated the different concepts used in the study and how all these are interlinked.

The last section of the chapter provided a discussion of the general context and attempted to understand Zimbabwean migration into South Africa from the historical, socio-cultural and economical. Zimbabwean migration was portrayed as economic migration, which translates to a general need for financial services in South Africa as migrant reconnect with places of origin and makes a new life in their new environment.

Chapter 3

Methodology

3.1. Introduction

This study is about Zimbabwean migrants, their challenges in accessing formal financial services and alternative financial services available to them in post-apartheid South Africa. It uses the case of Zimbabwean migrants in the Gauteng Province, mainly because Zimbabweans are believed to form the largest migrant population in South Africa, and also, because Zimbabwean migrants have been categorised as economic migrants (Crush et al. 2015). This would mean that these migrants require and utilise financial services in South Africa more often, particularly to remit income to their home country. Access to financial services is crucial to an individual's wellbeing as financial services are key in maintaining a good quality and standard of living. However, certain circumstances make it difficult for a large population of migrants to access formal financial services.

The guiding assumption was that these migrants often fall on alternatives available to them within the South African social and economic space. The study sought to explore these alternative financial services, but adopted a broader approach that began with an attempt to understand the challenges that Zimbabwean migrants in South Africa face in trying to access financial services. In order to achieve this, it became important to focus on migrants' financial habits and their transaction needs, the challenges they encounter in performing these transactions, and how they have managed to overcome these challenges.

This chapter is a discussion of the methodological approach adopted by the study. It begins by describing the qualitative research design applied in the study, before discussing the research methods and tools used by the research to extract data used in developing the argument of this dissertation. It describes the secondary sources of data used and how these informed the direction of the dissertation, and the interviews and extended study techniques. The chapter then looks at the data analysis approach adopted, and the research issues involved. Lastly, the chapter describes the fieldwork challenges encountered and how the researcher managed to negotiate and solve these challenges in ways that they did not compromise the research process.

3.2. Research Design

Research design refers to the choice of the specific methods used in data collection and analysis in research (Dudovskiy, 2019). It is the conceptual structure in which the research is conducted constituting the blueprint for the collection, measurement and analysis of data. The research design adopted by this study is a case study design within the qualitative tradition. Qualitative research seeks to interpret meaning from non-numerical data to understand social life through studying targeted populations or places (Polkinghorne, 2005). The study is an analysis and assessment of migrants, their situation and responses to their situation. It sought to explore and understand the experiences of financially excluded Zimbabwean migrants, by observing their financial habits and investigating their experiences with financial services.

The case study consisted of 16 participants, 8 males and 8 female Zimbabwean migrants living and working in the formal and informal sector in South Africa. The two main research techniques of the study were one-on-one interviews with all the 16 migrants and extended interactions with 4 of the 16 migrants over a period of three months. The researcher knew the first two respondents who then acted as key informants and helped in identifying and referring other suitable participants.

3.3. Techniques

The study adopted two main research techniques, which were further supplemented through a review of literature. This section is an analysis of the two main research techniques adopted by the study. These techniques are: 1) semi-structured interviews with migrants and; 2) extended interaction with selected migrants.

3.3.1. Semi-structured interviews

Semi-structured interviews were the first technique used in this study. Burgees (1984) refers to semi-structured interviews as conversations with a purpose (Burgees, 1984). The purpose of these interviews was to obtain personal accounts of Zimbabwean migrants' experiences and habits when it comes to financial services. These interviews were conducted with each of the 16 migrants who had agreed to participate in the study. Semi-structured interviews were ideal for the study as they are personal, and the study required the collection of personal information directly from the source. The use of semi-structured interviews allowed the introduction of new ideas by the interviewees, which may have been missed by the interviewer and also aided the research. It allowed participants the freedom to express their own views in their own terms.

The research questions served as a guide to the interview and also allowed the interviewees to engage in great detail with issues and broadened the discussion into areas related to the question. It also allowed the researcher the opportunity to explore and investigate particular themes by following new lines of inquiry based on the responses of the participant and responses further. Some of the participants spoke about other issues, which were directly linked to their financial practices or affected by them such as their living and working conditions. This provided the opportunity for follow-up questions and to tap into areas such as the social dynamics in their places of work and residence, which were not initially planned. In a semi-structured interview, the language of the interview can be adapted to the ability or educational level of the interviewee avoiding misinterpretations concerning the questions (Kothari, 2004).

Semi-structured interviews were particularly useful for this study as they empowered the participants through making them actively involved in the research process. The data collected was in their words not those of the researcher, thus giving the researcher access to their own thoughts, ideas and memories. McMillan and Schumacher (1993) state that the data collected from open ended interviews is based on participant meanings, how they perceive their world and how they make sense of the events in their lives. Participants could respond and express their opinions without the influence of the researcher. Lastly clarification was made easy through these interviews ensuring that the data collected was relevant to the study.

The sample consisted of 8 males and 8 females of varying ages, who were selected in order to create a gender balance. This was also aided by the use of a referral system, which allowed a certain level of trust to be built between the researcher and participants. Thus, the referral system enabled the researcher to get more participants for the study, but also to establish relationships with them in order to conduct the research. The selection process began with the selection of two migrants. The two included domestic workers who were known to the researcher through their employers. These played a key role in shaping this study by referring the researcher to other migrants who met the criteria developed by the researcher.

The referral system was particularly suitable as the study required the researcher to interact with the participants on a more personal level and create a level trust and confidentiality. This was made possible since the migrants trusted the people that provided the referrals. This also allowed the researcher scope to explore issues that were otherwise going to be difficult if such a relationship was not established. Referrals also resulted in a group of migrants with similar characteristic. Some of these migrants knew one another and had shared their experiences in South Africa. More importantly, these migrants shared information on available alternatives and their access to these key resources depended on networks.

The limitations of the referral system is that some potential or suitable candidates may be excluded from the sample due to being outside of the social networks of other participants. Therefore the sample may not be fully representative of all the migrants in the study.

All the interviews were conducted in Pretoria City in the Gauteng Province, where migrants were selected from diverse locations including Gezina, Sunnyside, Mshongoville, Equestria and Hatfield. Some of these locations are suburban, while others are informal settlements, which also brought migrants of different backgrounds into the study. The study targeted both informal and formal migrants and aimed to gain the perspectives of both non-professional and professional migrants. Interviews were conducted with participating migrants in social spaces, outside migrants' places of residence. This was done in order to ensure that there is enough time for the interviews, without the constraints of work and family. To achieve this, interviews were conducted at times convenient for both the researcher and participants during breaks, working hours and on weekends.

Personal interviews also require a structure with predetermined questions and a standardised method of recording (Kothari, 2004). Thus the interviews were semi-structured along the research questions in the form of an interview schedule .An interview guide is important as it provides reliable and comparable qualitative data (Mathers et al., 1998). One participant was interviewed at a time with the researcher writing down the responses given by the participant. Most participants preferred the interviews in private places away from their families and colleagues to avoid disruption and have some privacy. However, some were conducted in the presence of participants' colleagues, who were mostly migrants and with similar experience.

The length of the interviews varied according to the responses given by the participant and ranged between 30 minutes to over an hour. Some of the migrants that were interviewed had a lot to say, and because there was always time, they were always willing to share their experiences, and were very enthusiastic to talk about their situation and their alternatives. Some were even willing to introduce the researcher to their contacts, who mainly facilitate their access to scarce resources.

Participants were often briefed on the purpose of the research and were given consent forms to read and sign before the interviews were conducted. Participants were free to pick their own pseudonyms to ensure that their identities remained anonymous They were free to choose the language they were comfortable with, which was either Shona or English. The majority of interviews were conducted in the Shona language, which is also the mother tongue of the researcher. This also ensured that the participants fully understood the questions and the information obtained was correct and relevant.

However, where migrants were uncomfortable with the Shona language, which Ndebele migrants were, English was used instead. The researcher is not conversant in the Ndebele language, and did not want to use a translator because she did not want the questions and conversations to be lost through translation. Fortunately, the migrants that participated in the study were literate and could converse efficiently in English.

3.3.2. Extended interaction

This is a research technique that focuses on a detailed study of concrete empirical cases to extract general principles from specific observations (Barata, 2012). Here the researcher participates in and observes a number of related events and actions of an individual for an extended period of time (Barata, 2012). While the interview technique was always going to be important in providing a general picture of the migrants' experiences, a much more detailed approach was necessary to gain an understanding of the dynamics of the migrant's world in South Africa as they attempt to conduct financial transactions.

In an attempt to tap into the migrant's world, the researcher bought in the extended interaction approach as a second research technique. Four of the 16 participating migrants were identified for extended interaction. The choice of these migrants was guided by the information they provided during the interview process. One of the major aspects was the extent to which a migrant needed and utilised financial services. Another important factor that contributed to the choice of the participants chosen was their availability and access/distance from the researcher. The four chosen consisted of two males one employed formally with a work permit and another self-employed without proper documentation i.e. passport and permit. The other two participants were both female both employed formally one had no proper documentation and one was documented. The sample chosen had to observe gender balance.

These participants were followed by the researcher for a period of three months in order to observe and understand their financial habits and experiences and relationships with financial services better. This extended interaction involved further discussions and observations and included invading the migrants' social spaces. This included home visits, going on outing, and other family related aspects including buying groceries. These migrants were like family to the researcher and financial aspects were conducted in the researcher's presence. Sometimes the researcher would be involved in these transactions including sending goods and other remittances home through the cross-border bus service. These migrants freely executed these services and sometimes would seek help from other migrants including the researcher.

Three months as a period was strategically chosen to allow the researcher time and space to observe the migrants' financial interactions. This was a long time for a migrant to be involved in some of the major financial transactions. Interaction with these migrants mainly took place during the week, weekends and particularly at the beginning and end of month when most financial transactions are made. This was mainly influenced by the general availability of the participants and also their pay days, which would also have an impact on their financial habits. The general observation especially for those formally employed was that financial tractions increased after they had been paid and became less as time went on. For example, most grocery shopping was done at the beginning of the month as well as remittances for their relatives back home in Zimbabwe.

Debit orders were also another financial highlight which influenced the finances of the participants. These were deducted on the date the participants got paid and thus reduced their spending. However, for the self-employed participants their transactions were haphazard as their income was not fixed. It was also important to note the differences in behaviour during the week and on weekends. More withdrawals were made during the weekend as compared to during the week corresponding with the spending habits as well.

This technique was quite useful for the study as it is a data collection method, analysis and can also be used in theory building (Barata, 2012). It assisted in making a link between the financial habits of the participants, the financial services available to them and other social and economic factors that contribute to these. Extended interactions help in the standardizing data through bracketing external conditions which also makes the sample or participants chosen more representatives (Burawoy, 1998). Extended interactions with both male and female participants not only illustrated the different experiences and habits of both genders but also enabled the research to observe their different roles and how these influenced or were influenced by external factors.

For example, one of the female participants was mainly responsible for buying groceries, clothing and other household items whilst her husband mainly dealt with bills and repairs. She also stated that most of her income was channelled towards savings, remittances and emergencies whilst her husband's income covered all their expenses. Thus, she always had one of her husband's bank cards on her which she used for her financial transactions. This not only shows the different financial practices and habits between male and female migrants but can also be linked to the different gender roles in a household.

The other female participant was not married and lived alone, thus she had to take care of everything from groceries to bills and paying for repairs by all by herself. Because she had no proper documentation, she made use of a friend's bank account and card for her financial transactions. This was problematic at times for example she had trouble purchasing an airline ticket online as because she wanted to use a card that was not in her name even though she had the owner's permission to make use of it. Had she been married to the friend like the other participant she probably would not have faced this challenge. Thus, the interactions enabled the researcher to differentiate the experiences of documented and undocumented migrants with different marital statuses.

Extended interactions illustrated the effects of different factors on an individual's financial practices and habits. This differentiation was important in making the sample more representative and connecting the different external factors with the habits and experiences. Extended interactions are also useful in correcting unintended standardizing of interview questions which can limit the information shared by the participant. Extended interactions allow the participants to reveal more information which they may not have had a chance to share with the researcher during the interview. This not only adds to the data collected but makes the information collected more reliable.

3.4. Data Analysis and Ethical Issues

3.4.1. Data analysis

This is the process of evaluating data through the use of analytical and logical reasoning examining each component of the data provided such as purpose, questions and ideas (MSHS, 2006). A thematic analysis will be used to analyse the data. This is simply a process used for identifying, analysing and reporting patterns within data (Braun & Clarke, 2006). Thus, through analysing the data collected during the study the intension was to first of all identify the main patterns in accessing financial services, analysing these and then reporting on them. This was very important as it has an impact on the reliability of the research in terms of the data collected and the validity of the research as a whole. The analysis had to be focused and rigorous.

There are two approaches which can be used in a data analysis these are the deductive and inductive approach. A deductive approach is a top down approach. Here the researcher brings a set of concepts, ideas or topics for interpreting data (Braun & Clarke, 2012). The inductive approach is a bottom up approach that makes use of or is based on what the data collected for the study contains (Thomas, 2006). The analysis of this study will on an inductive approach to data analysis. The codes and themes are derived from the study. These are used as a guide during analysis of the contents of the data. Thus, the analysis is based on the experiences of the research participants, giving the meaning assumption of a knowable world by voicing out these experiences (Braun & Clarke, 2012; Thomas, 2006).

The analysis of the study was also done manually at two different levels. Braun and Clarke (2006) identify two levels of themes these are sematic and latent. The sematic focuses purely on what is in the data collected. The researcher does not look deeper into anything that a participant says but takes everything on at face value. Thus, the first level in analysing the data collected from the study was to look at the interviews and information gathered during the extended interactions and analyse them at face value.

The second level involved looking deeper into the answers given by the participants and the information gathered during the extended interactions and look deeper into what they meant. This involved comparing the different circumstances the participants found themselves in South Africa and how these impacted on their financial habits and behaviour. What was apparent in the study was that the barriers to financial services differed between the documented category and the undocumented category. One had problems with simple access whilst one had access but limited opportunities. This two-level analysis also allowed for participants to be analysed at an individual level and at a group level.

3.4.2. Ethical considerations

Ethics are norms and standards distinguishing between right and wrong behaviour (Khan, 2016). There are several ethical issues that arose from the study before and after it had been conducted these include informed consent, voluntary participation, anonymity and confidentiality, storage of data collected and prevention of harm.

3.4.2.1. Voluntary Participation

Participation in the study was voluntary; all the participants had to be advised that their participation was purely voluntary. Thus, they could withdraw their participation at any point.

It was also important for them to know that there would be no consequences for their withdrawal whatsoever.

3.4.2.2. Informed consent

Before the study could be conducted informed consent had to be attained from each of the participants. The study was explained to them for their understanding and they were provided with consent forms. These contained information regarding the statement of the problem, purpose of the study, the identity of the researcher and contact details, the identity of the Institution, the nature of the study, the rights and responsibilities of the participants, benefits and once again the freedom to withdraw at any point. Each of the participants had to sign the consent form before the interviews commenced.

3.4.2.3. Confidentiality and anonymity

The identities of the participants were kept anonymous through the use of pseudonyms. Participants were advised not to reveal their true identities to the researcher and were free to pick their own pseudonyms. These are the names that were then used on the consent forms which they had to sign before the commencement of the interviews. Participants were advised that the information they provided the researcher with was confidential and would only be used for research purposes and no identifying information will be revealed either.

3.4.2.4. Prevention of harm

In order to ensure the safety of both the researcher and participants interviews were conducted in private at a location both the interviewer and the participants were comfortable with. Privacy was important so as to avoid the neighbours and or other colleagues of the participants from hearing any sensitive information that may be revealed by the participant during the interview. The participants were also made fully aware of the they had in the interviews. Even though the interviews were semi structured participants were in control of the direction the interview could take. They could disclose anything they wanted to the researcher and could choose not to answer certain questions.

3.4.2.5. Debriefing

At the end of the interviews participants were debriefed. This was a chance to clear up any issues that may have come up during interview and answer any questions they had regarding the interviews of the study itself. A lot of the participants were eager to know what the next step would be after the interviews were conducted.

3.4.2.6. Data storage and usage

The interview scripts and data collected was stored as hard and electronic copies which will be stored at the department of Anthropology and Archaeology at the University of Pretoria for a minimum period of 15 years. In addition to the researcher and supervisor having access to the data other scholars could also access it from the department. This ensures the controlled access and use of the data collected in the future. The data collected will be used for this master's dissertation and any scientific papers.

3.4.3. Fieldwork challenges

As with all research that involves fieldwork and has a human component, certain challenges were encountered during the research. These challenges mainly emanated from the research approach that the study adopted. While a study of migrants, some of whom had no legal rights to be in the country was always going to be challenging, the ethnographic component further made issues more complex. The challenges revolved around reluctance by migrants to participate, objectivity, misinformation and language barriers.

3.4.3.1. Reluctance

Some of the migrants the researcher was referred to were reluctant to participate in a study that sought some private information. The researcher was a total stranger, and in most cases, she was from a different ethnic background. Given the sensitive issue of ethnicity in Zimbabwe, it was always going to be difficult to interview migrants from certain ethnic groups. Some of these migrants lived in informal settlements and were very sensitive about their surroundings and feared that their participation would expose their squalid existence. Some feared that participation would expose their legal status. To overcome this challenge, the researcher focused only on those migrants that were willing to participate. Furthermore, the researcher made it clear that the interviews will take place in public spaces, and that interviews will not lead to any form of exposure.

3.4.3.2. Objectivity

Objectivity was also a major challenge since the researcher knew some of the migrants personally. The researcher also could associate with the experiences of migrants, since she was also a migrant in the country. There were instances where the researcher had to separate her personal knowledge of their circumstances and the responses, they provided in order to avoid bias. Not making suggestions during the interview was also another challenge related to objectivity as some common trends were not common to all the participants.

3.4.3.3. Wrong expectations

Some participants were also misinformed by the people who made the reference and had their own expectations of the interview. These expectations were a major impediment because people got disappointed after realising that the interview will not achieve what they expected. The researcher tried to be professional and used the consent form to inform the participants about the study, its purpose and objectives and their role in the study.

3.4.3.4. Language

There were some communication barriers with some of the participants as they could not understand Shona, but could only reply in Shangani and Kalanga. In these situations, the researcher had to use the English language, which was a problem because certain aspects got lost.

3.4.3.5. Invasion of privacy

Invasion of people's personal spaces was also a challenge especially during the extended interactions. Barata (2012) stated that extended interactions may sometimes not give a researcher enough time to get past the initial resentment of intrusion that is often felt by any person or group of an outsider wanting to observe their lives that closely. Some migrants would act differently from their normal behaviour due to the presence of the researcher. An example was a situation where a migrant began to keep her money in her person after telling the research something completely different. To overcome this, the researcher remained focused on the issues that she wanted to observe.

3.5. Chapter Summary

This chapter focused on the methodology or the research methods used to conduct the study. It began with a short introduction followed by the research design. Here the design was discussed in relation to the nature of the study stating the advantages of a qualitative design and why it is well suited for this study. This was followed by the research techniques. An in-depth account of how each of these were conducted during the study was provided and their significance to the study as well. The data analysis section provided the different steps in the data analysis process and also looked the different approaches which were used in the analysis of the study. Lastly the ethical challenges and considerations were discussed. Each of the ethical considerations was explored followed by the challenges that were encountered in the study.

Chapter 4

Zimbabwean Migrants and Access to Financial Services in South Africa

4.1. Introduction

Migration literature has long established that the goal of migration is often economic. In southern Africa this assumption is often supported by the movement of remittances and other transactions either internally or across borders. Financial services are presumed to play a crucial role in the socio-economic life of migrants, either for accumulation or for transmission of remittances to those left behind in rural areas or country of origin. While the formal sector provides the bulk of legalised financial services, literature has shown that migrants face certain barriers in accessing these services. The study sought to explore whether Zimbabwean migrants in South Africa also encounter challenges faced by migrants elsewhere in the world as highlighted in the literature.

This chapter is a discussion of challenges faced by Zimbabwean migrants living in South Africa in accessing financial services to achieve their accumulation and economic objectives. It begins with challenges these migrants face in accessing financial services followed by a categorisation of these challenges. Different migrant categories face different challenges with low income migrants having little to no access to financial services whilst professional migrants have more access but with some restrictions when it comes to certain products such as home loans.

4.2. Challenges Faced by Migrants in Accessing Formal Financial Services

This section will explore the different challenges faced by Zimbabwean migrants working in South Africa in accessing different financial services. The questions that were asked to migrants were influenced by general literature on migrants and financial services in western countries. The objective was to assess whether the challenges that are documented in literature also apply to migrants in South Africa. The experiences of migrants with formal financial services differed according to the migrant's own circumstances, but most migrants appeared to have encountered one challenge or another. These challenges ranged from lack of documentation, costs, location and trust.

Documentation appears to be the biggest barrier to access to formal financial services by most Zimbabwean migrants working in South Africa. Documentation is a major requirement by most financial institutions, like banks, for one to receive any financial service. For one to conduct an official transaction, he or she requires one of the following – a South African identity card, a passport with a valid permit, a valid passport or a valid asylum certificate – together with a proof of residence and proof of income. Many migrants often struggle to produce the legal requirements.

Of the migrants that participated in the study, only 8 participants could satisfy these requirements. There were 7 participants that could not satisfy all the requirements, whilst 1 could only satisfy part of the requirements. These 7 participants mentioned that they were unable to access formal financial services due to the lack of documentation. Lizzy Nyoni is one such participant who cannot access these as she has no passport or work permit which is required by most banks. She explained:

> I would like to have a bank account to keep my money in. However, due to the fact that I do not have a valid passport and a work permit there is no way I can have one, as those are part of the requirements needed for a bank account. Therefore, I am forced to make use of other alternatives for my financial transactions (Interview, Pretoria, June2019).

Others could only partly satisfy the documentation requirements. Craig Muzorewa for example was a holder of a ZSP permit, but lived in an informal settlement in Mshongoville, Pretoria. He therefore could not produce a proof of residence as he had no recognised address. He worked as a vendor selling 'kotas' and other snacks thus he had no fixed income and no proof of income as well. He therefore found it difficult to bank his money. He explained:

> I make enough money to support myself. The amount of money I make varies from day to day on a good day I can make anything between R500 and R 800. But it is difficult to keep the money I cannot keep it where I stay as it is not safe. I would also like to have a savings account, but I cannot open one which forces me to spend it on things such as furniture which I hope would retain the value of my money.
> (Interview, Pretoria, June 2019).

The problem of access to a proof of address is real among migrants and others from poor backgrounds. Besides those living in informal settlements like Craig Muzorewa others had either rented backrooms in the townships or rooms in flats in surrounding localities in Pretoria. Since they could not open any accounts, they did not have statements bearing their names. The only proof of address bore the landlord/ladys'. For these to be accepted as legal documents to back any transaction, they had to be accompanied by additional documentation like an affidavit certifying that they have leased a place to the applicant. While the process was cumbersome, some landlords/ladies were reluctant to go through the process.

Whilst some can access financial services with their documentation, the range of services or the extent to which they can access these is limited by the type of documentation they possess. A lot of the participants alluded to the fact that even though the system is accessible to people with documentation, there are several barriers within the system that restrict them from making full use of it. For example, some services such as home loans and car loans are only available to South African citizens and not foreigners. Another challenge related to documentation is the freezing or locking of accounts upon expiry of permits.

Zimbabwean migrants are sometimes unable to make use of their bank accounts when their work permits expire. These will only be unfrozen upon presenting a new valid work permit which may take months to obtain leaving them financially stranded in the time being. 4 of the 16 participants were affected by the abovementioned challenges. Unity Ndlovu who is a holder of a ZSP struggled to get a car loan. He has been working in the country legally since 2008 and applied for a bank loan to purchase a car. He explained:

> I have been working legally in the country since 2008 and in 2014 I decided to apply for a car loan. However, as my permit was about to expire, I was told I could only apply for the loan once I renewed it. When I finally renewed it the following year and applied for the car loan it took a long time before the loan could be approved compared to the time it would take for a South African citizen to be approved. I also felt that the interest charged on the loan was a bit too much and thus was mainly since I was a foreigner. I think it was an attempt by the bank to dissuade me from taking out the loan (Interview, Pretoria, June 2019).

The freezing and locking of accounts were another challenge faced by Unity and other participants like Esther Ngwenya who has a work permit. Esther's FNB bank account was frozen 2 months before her permit expired. She explained:

> Whilst I was in the process of renewing my work permit in October the bank sent me an email stating that I should provide proof that I had renewed my permit or else my account would be frozen. I went to the bank and explained that I could not do this as I was still in the process of renewing the permit with my appointment at home affairs only being in December. At the beginning of December my account was frozen before my permit had even expired and I had gone to submit my papers for renewing it. I could not access the account for two weeks which inconvenienced me as it was the festive season and I had to buy groceries and tickets to go to Zimbabwe for Christmas. As a result, I had to borrow money from family and friends to cover my expenses until my account was unfrozen (Interview Pretoria, June 2019).

Foreign tax registration is also another challenge faced by Zimbabwean migrants with bank accounts related to documentation. Again, if one fails to comply with this their account will be frozen. This is usually required of foreigners who are working and pay taxes however sometimes banks could ask this from anyone with a bank account regardless of whether they are working or not. Munashe Chibwido once faced this challenge as a student as he was told by his bank that he had to fill in some forms to prove that he complied with foreign tax requirements or his account could be blocked, and he would be blacklisted. He explained:

> I once received an email from my bank stating that I had to fill in some forms and send them back to the bank as they were needed for taxes. I explained to them that I was just a student and I did not work but they insisted saying that if I did not comply, I would be blacklisted, and my account would be frozen. I then had to go to the bank in person and resolve the issue (Interview, Pretoria, June 2019).

Lack of trust is also a challenge Zimbabwean migrant working in South Africa, both Zimbabwean migrants and financial institutions do not always trust each other. Many of the migrants interviewed mentioned that they are subjected to strict conditions when in need of services such as car loans and remittances. One of them mentioned that before they could get a car loan they had to wait for a month before their application was approved, whilst it only took two days for their South African colleague to be approved for the same loan.

Another participant mentioned the hustle of sending money to Zimbabwe through their bank. He had to provide a proof of income and hours worked before the bank could transfer the money to a Zimbabwean account. Rentals were also another challenge related to lack of trust. Many migrants are required to pay a steep deposit, which may be double the normal deposit amount, or they may be required to pay a couple of months' rent in advance. According to one of the migrants:

> The real estate agents do this in order to ensure that foreigners can pay their rent and will not go back to their country without paying the rent. This is used as collateral, but it hurts us most. Some agents do not trust foreign migrants, especial those in casual employment. They do not allow foreigners to sign leases and they would need a South African relative or friend to sign their lease for them (Interview, Pretoria, June 2018).

This is major challenge for Zimbabwean migrants as they may have limited resources meaning they cannot afford to pay a huge lump sum of rent in advance or the deposit itself. Most of the migrants affected are usually in the low-income category. While some migrants would opt to use South Africans as signatories of the lease, they often encounter challenges when they need to produce a proof of residence at the bank as it usually requires an affidavit from the person on the lease to confirm that they reside with them before a service can be rendered by the banks. According to one of the migrants:

> I always struggle whenever I need to produce a proof of residence. My lease was signed by my South African friend as I could not afford the double deposit as I only earn R 5 000 a month. If I had signed the lease myself, I'd have had to pay a total amount of R6 000, R4 000 for the security deposit and R 2 000 for rent. Therefore, I opted to have my friend sign the lease so that I would only have to pay a total of R 4 000. However, when I had to update my documents at the bank, they would not accept my proof of residence as it did not have my name on it. I had to get an affidavit first that confirmed that I resided at the address I had provided them with before they could assist me (Interview Pretoria, June 2019)

Getting insurance for assets emerged as another challenge for the migrant community. Migrants also related this to the issue of trust, arguing that insurance companies have little trust in migrants and are unwilling to offer service, and where they do, the costs are usually pegged high. Insurance is also another challenge related to trust. Takudzwa Denhere narrated how he struggled to get insurance for his motor vehicle. When he finally found a company that was willing to ensure his vehicle, the costs were relatively higher than his local colleagues, who were driving the same vehicle model.

Lack of trust in banks by the Zimbabwean migrants is also common. Some migrants I met expressed reservation with saving or keeping their money in the banks. This was partly due to the uncertainty of the duration of their stay in the country due to their status, which does not grant or guarantee them permanent residence in the country. They expressed the fear that they may lose their savings once they must leave the country. One participant cited an example of a friend who relocated to Australia. The friend struggled to retrieve the money he had deposited into the bank.

But, more importantly, migrant phobia of formal financial system is guided by migrants' prior experiences. The failure of the banking system in Zimbabwe in the past has partly contributed to the lack of trust in the banking system. Many people lost their savings in 2008 due to hyper-inflation which ultimately led to the dollarization of the economy. History has repeated itself in 2019 with the introduction of bond notes and the new RTGS currency, which has once again resulted in the loss of people's US Dollar savings which have been reduced to a local currency not recognised outside the country. 3 of the participants in the study had experienced this. They had previously worked in Zimbabwe and had savings and pension funds wiped out when the economy was dollarized. One of them explained:

> I had worked for 13 years as a civil servant before I came to South Africa. Like any other person I had my own savings and a pension which was deducted monthly from my salary by my employer. I had hoped that this money would sustain me and my family upon retirement or if the need arose. However due to hyperinflation and the subsequent dollarization of the Zimbabwean economy in 2009 all the money I had saved, and my pension became worthless and I was left with nothing (interview, Pretoria, June 2019).

According to Anderloni and Vandone (2018) lack of confidence in financial institutions is a common phenomenon among African migrants and others from developing nations. This is because many of these countries have unstable and or failed financial systems resulting in lack of confidence by citizens. Failure to provide financial consumer protection serves as a barrier to financial services as it makes individuals reluctant to make use of these services (Atkinson & Messy, 2015). Migrants will thus not be able to recognise the benefits of making use of financial services. Thus, the failure of the Zimbabwean financial system has resulted in many Zimbabwean migrants residing in South Africa have a lack of confidence in the financial system and reluctant to make use of financial services especially banks.

Therefore, Zimbabwean migrants may be hesitant to open bank accounts in South Africa due to these issues. One of the participants explained:

> After my savings were wiped out in 2008, I swore to myself that I would never ever trust any bank with my money and would rather keep it myself or invest it elsewhere. The introduction of the RTGS dollar in 2019 has also shown me that I was right not to trust any bank after 2008. I feel that I was a victim of the collapse of the Zimbabwean financial system having no protection from any losses and no compensation for my losses as well. Therefore, my experience with Zimbabwean banks has made me reluctant to open a bank account let alone keep my money in there. (Interview, Pretoria, June 2019)

Language may be a barrier to accessing financial services. Zimbabwean migrants in South Africa come from many backgrounds. Some are highly literate, while other came from poor backgrounds with little education. Some come from regions geographically distant from South Africa and are culturally and linguistically different from South African, while other share some cultural and linguistic similarities with some South African groups and can integrate into society (Mlambo 2010; Rutherford & Addison 2007; Thebe 2013). The study was biased towards Shona migrants because of the sampling method adopted and the researcher's familiarity with the language. These migrants do not speak any South African language.

While the official language in South Africa is English, which some migrants could speak, migrants complained that bank staff would sometimes address them in either vernacular or Afrikaans. This makes them generally uncomfortable. One of the migrants complained:

> It makes you feel foreign, and in the context of xenophobia, you feel easily identifiable and vulnerable. It is a difficult situation, which has always been difficult to manage for me. Sometimes it is much easier if you are attended to by a white individual…., but they also tend to use Afrikaans. It really puts you on the spot (Interview, Pretoria, June 2018).

Some migrants noted that they face difficulties in communication, even if no vernacular language was used. They noted that most financial institution has an English language policy, which creates difficult for the general migrant who is illiterate. In their case, the situation is exacerbated by the lack of proficiency in the local languages. Thus, even if the staff are prepared to bend backward and accommodate them, there is no one who can communicate effectively in the language they understand.

Illiteracy also leads to lack of appreciation and understanding on how the formal financial institutions work. While migrants need these services and may satisfy the requirements to access such services, which may be convenient, they still avoid using them. An example, is Amai Masunda 48 and works as domestic worker. She does have a bank account where she receives her salary, but she often struggles to use the ATM system. She needs to be assisted every time she must withdraw money. She says her employer has assisted her to send money through the MoneyGram facility, but she does not know how it works, and has avoided using it on her own.

This form of self-exclusion, Datta (2009) blames on lack of financial advice, communication and poor product design. This may result in migrants perceiving or believing that financial services such as banking are only meant for certain groups of people and not everyone. Indeed, this was the case with Amai Masunda, who told me that ATMs are services for the young and clever and not for the aged and illiterate.

Another issue that emerged during the study, related to migrants avoiding formal financial services like banks has to do with issues of costs. Costs associated with making use of financial services are prohibitive and eating into migrants' meagre income. Most migrants in South Africa work menial jobs and earn exploitative and starvation wages. Yet, migrants have financial responsibilities. Migrants will often act to prevent any leakage of their income. According to Ranganai, a 27-year-old who works as a waiter, maintaining a bank account is costly. As he puts it:

> …you are charged a monthly fee, charged for every withdrawal…when you deposit R100, when you want it tomorrow, you can only get R90. You have lost R10. However, if I keep my R100 in my wardrobe, I will still get it as R100 tomorrow (Interview, Pretoria, June 2019).

Some of the migrants noted that monthly bank charges are sometimes R300, which is a lot of money that can be used for other pressing issues. The migrants said that they have generally avoided sending money through commercial banks in South Africa because of exorbitant bank charges when converting rand to a dollar. The leakages through charges tend to erode the final amount received . According to these migrants, this would mean that they must spend more and achieve little. Farai noted that formal financial institutions charge around 10% of the total amount sent to Zimbabwe. Besides these administrative hurdles, migrants mentioned the general shortage of money in Zimbabwe as another reason they shun official channels. They complained about delays in people getting money they have send, resulting in inconveniences. Sandra observed:

> Some of us pay rent back in Zimbabwe, and landlords expect their rent on time. They do not want excuses. Sometimes you will send money and it takes a week before the person can access it. Sometimes, they would be given part of the money and asked to come back another time (Interview, Pretoria, June 2019).

Geographical location also emerged as a major hurdle for migrants to access financial services. As already noted, some of the migrant live in informal settlements, which are remote and situated away from such services like MoneyGram. To access these services, these migrants must travel long distances and commute to centres where these services can be found. Sandra, for example, resides in Mshongoville in the Sauseville area of Pretoria. While she must remit money regularly to her children in Mabvuku in Harare, she must travel to Bosman Street. This often involves taking two taxis and sometimes walking across town.

Others also complained of lack of alternative formal financial services outside the banking system, like MoneyGram or Western Union in their areas. They noted that these facilities, unlike banks that have expanded their services to townships, are confined to the Pretoria CBD. Even semi-formal services like Mukuru have not expanded their services to remote areas.

The challenges faced by Zimbabwean migrants when accessing financial services include, documentation, income, location, costs language and lack of trust. Even though many of these challenges are common amongst different categories they it is important to note that are not all categories are affected to the same extent. Some experience more difficulties than others or to different extents. The next section will discuss the different migrant categories of Zimbabwean migrants working in South Africa and the challenges each of these categories face.

4.3. Formal Financial Services and Categories of Migrants

As alluded to earlier, Zimbabwean migrants working in South Africa are not one homogenous group; they fall into different categories. We can therefore not talk of them as if their experiences are the same. As others have shown, Zimbabwean migration is complex, consisting of complex 'flows' in different phases (Crush et al., 2015; Makina, 2012; Thebe &

Mutyatyu, 2017)). Migrants also include professionals, who have every right to be in South Africa, and have equal rights to services like South Africans.

On the other hand, there is your general migrant, who has embarked on what others have termed ‘survival migration’ (Ranga, 2018). Among these, we can count those who crossed into the country illegally and took up jobs in South Africa and asylum seekers. There are also migrants who may have crossed into the country legally but allowed their passports to expire.

There are also migrants who have entered on a visitor’s visa and have needs for financial services. There is also another category of migrants who hold documentation, which is not admissible. These are migrants with cloned document, either South African or permits of whatever kind. These documents cannot be used in any official transaction. Each of these categories have their own challenges, and the purpose of this section is to discuss the challenges peculiar to each category, drawing on the data from the study.

4.3.1. Professional migrants

Participants with valid work permits stated that even though they were able to open bank account their options and transactions are restricted. Common issues related to restriction due to documentations included home loans and car loans among many others. This section will discuss the challenges faced by professional and documented migrants in South Africa.

Restrictions imposed on migrants are a major challenge in accessing financial services as the of documents they possess will determine what services or products are available to them. For example, one participant who was both a student and an employee and had a study permit stated that he was unable to send money to a relative in Cyprus through his bank. According to him:

> I was told by the bank that I needed a work permit, proof of means of income and proof of hours worked. They stated that I did not earn enough money to perform such a transaction therefore I failed to send the money I wanted to send to my relative in Cyprus (Interview Pretoria, June 2019).

Documented migrants with passports and work permits mentioned their fears of their savings being wiped away or devalued as what happened to many people in Zimbabwe in 2008 and again in 2019.

Another concern related to lack of trust by the documented migrant category in the study was the issue of not being able to access funds when one wants to leave the country and relocate elsewhere or when their accounts are frozen upon the expiry of their permits. One participant had a friend who struggled to take their savings with them when they decided to relocate to Australia. He explained:

> My friend had been working in South Africa for four years. He then decided to relocate to Australia and wanted to take his savings with him. When he approached his bank, he was told that money earned in South Africa had to be spent in South Africa thus he could not take all his savings with him (Interview Pretoria, June 2019).

Therefore, documented migrants are sometimes a bit hesitant in keeping their savings in a bank in South Africa. One participant opted to invest in assets back home in Zimbabwe as a precautionary measure instead of keeping all their savings in their bank.

Lack of trust also includes financial institutions failing to trust Zimbabwean migrants. This challenge mainly relates to the documented category. Many financial institutions are reluctant to serve foreigners as they are considered as a bad risk. Many struggles to cope with migrants whom they have no previous relationship with which is an important factor in is considering and measuring risk (Datta, 2009). Additionally low and unstable incomes make migrants undesirable clients providing low profit margins for many financial institutions (Datta, 2009). Banks tend to have strict requirements and regulation when it comes to foreigners in South Africa compared to South African citizens.

One common issue that came up was that of obtaining home and car loans from banks. Those with work permits mentioned that they failed to obtain home loans from banks because they did not have permanent residence. One participant who had failed to obtain a home loan explained:

> I have been working in South Africa for 12years on a work permit and I wanted to buy a house, so I decided to try and apply for a home loan from my bank. My application was rejected because I did not have a permanent residence even though I qualified for one (Interview, Pretoria, June 2018).

The process of obtaining a car loan by migrants was also a strenuous one as they had to provide their proof of income and meet a certain level of income before they could apply for the loan. Additionally, the time it takes for one to be approved was way longer than that of South African citizens. One participant opted to buy a car from Zimbabwe and import instead as a way of avoiding the hustle of obtaining a bank loan as it was cheaper, and they could pay for it upfront. However, this is also a challenge itself as the vehicle has a foreign registration which often attracts thieves and hijackers making it prone to danger.

> I wanted to buy a car, but I did not qualify for a car loan. Thus, I opted to buy a cheap ex-Japanese car from Zimbabwe which was way cheaper, and I could pay for upfront with no hustle. Even though getting the car was not a challenge bringing it to South Africa came with many challenges. The first is that of a Temporary Import Permit (TIP) which needs to be renewed every six months meaning I would have to go to Zimbabwe twice a year to do this. The second challenge was that of security vehicles with foreign registration are more prone to robberies and hijackings. Thus, I opted to get a fake white number plate with my registration which would not be attract a lot of attention and would blend in with South African ones (Interview, Pretoria, June 2018).

Insurance is also another challenge faced by Zimbabwean migrants related to lack of trust and financial services. Many insurance companies are reluctant to serve foreigners and those that do charge exorbitant prices. Therefore, migrants are forced to part with a lot of money which could have been used for something else.

Most formal financial service providers use English as their medium of communication thus they can communicate with the staff at these institutions. One participant from the documented category expressed their annoyance with the staff at banks who sometimes assume that all black customers are South Africans and thus communicate with them using a local language which they consider to be unprofessional.

4.3.2. Low income migrants

Migrants in this category usually come from poor backgrounds and have low income with a lot of them not having documentation. The issue of documentation then limits their access to financial services having little to no access at all. One participant noted that she was completely blocked from opening a bank account since she does not have a passport. Another participant with a fake asylum stated that the document makes it hard for to find a good job that pays well thus she is forced to settle for low paying jobs which do not require documentation as highlighted:

> Due to having a fake document I must settle for low paying jobs that do not require documentation as this could result in my fake asylum being detected. This I am forced to settle for piece jobs such being a part time maid or cleaner which do not pay lot of money. Even if I had a genuine asylum, I would still not be able to find a proper job as asylum holders are not allowed to work in the country (Interview, Pretoria, June 2019).

This also affects the type of financial services she can make use to informal due to costs and the documentation requirements. This not only shows that documentation is a major hindrance to accessing financial services for many migrants both documented and undocumented but also that it takes more than having the proper documentation required for one to have full or unrestricted access to mainstream formal financial services.

Lack of knowledge of modern technology is a major challenge affecting Zimbabwean migrants when accessing financial services especially those from the low income and undocumented category. Some participants stated that their failure or lack of access to financial services was because they did not know how banks operated for example. Others did not use banks since they saw the banking system as complicated as was revealed by one informal trader:

> I do not really understand how the banking system works thus I am very reluctant to put my money that I earn from my business in there. I fear that my transactions for my business would be limited and I need to be able to access my money easily thus banking could be an inconvenience for me. Additionally, I do not understand their cost structures and I don't think I make enough money to cover these costs even If I understood them. All these factors could inconvenience me and potentially harm my business if I decide to use banks (Interview, Pretoria, June 2019).

Lack of knowledge of modern technology in the financial sector can also be linked to lack of trust. Lack of trust was common amongst all Zimbabwean migrant categories in the study. Some migrants choose not to make use of formal financial services because they do not understand how they work and thus feel like they cannot trust these service providers. On participant mentioned that she cannot run the risk of keeping her money in a bank account because she does not understand how they work and therefore cannot trust these banks.

Another participant had a bank account that was idle because she did not know how to make use of an ATM thus, she preferred to make all her transactions in cash and keep her money on her or at home instead of keeping it in the bank. Self-exclusion from the financial system was noted by Datta (2009) who noticed that a lot of migrants from developing countries with less developed infrastructure chose not to make use of financial services due to lack of understanding and knowledge of modern technology. He noted that migrants lacked financial advice on the most suitable products for them and how the system worked thus they chose not to make use of these services.

Additionally, low and unstable incomes make migrants undesirable clients providing low profit margins for many financial institutions (Datta, 2009). Banks tend to have strict requirements and regulation when it comes to foreigners in South Africa compared to South African citizens. Thus, migrants with low income become undesirable clients for many financial service providers.

The costs associated with making use of financial services are common in both the documented and undocumented migrant categories. For the undocumented migrant categories, the main challenge related to costs was that of unstable exchange rates in Zimbabwe and the costs of using alternative or informal services such as buses and relatives. One migrant participant Sandra was unhappy with the issue of exchange rates as the money she would have been reduced in value when the rate rises meaning her family does not always receive all the money they need. She explained:

> When sending money to Zimbabwe I always face the challenge of exchange rates. The exchange rate between the Rand and US dollar is very unstable so sometimes the money my family receives is way less than I would have sent them if the rate drops. This means that they will not be able to pay for all their expenses or the intended purposes of the money sent (Interview Pretoria, June 2019).

The amounts charged by bus operators and relatives for remittances sometimes also reduce the amount of money received by its intended recipients. Another participant mentioned that the costs of sending money to Zimbabwe are too much for her as she is unemployment and thus, she has limited funds at her disposal. The documented participants who complained about the issue of costs noted that bank charges are sometimes too much for them as they have limited income meaning they have less money at their disposal. Those that made use of Western Union and MoneyGram also complained about the costs of making use of these services especially when large amounts of money to Zimbabwe.

Location is also a major challenge faced by the undocumented migrants and less often by documented migrants when accessing financial services. Sandra, for example relies on buses to send money to Zimbabwe. The bus station is far away from where she resides, it takes two taxis for her to get to the Bosman Station which is not only costly but time consuming as well. Location also has an impact one's security and spending habits when it comes to financial services. Another migrant residing in an informal settlement prone to xenophobic attacks stated:

> I do not feel secure and free to spend my money here, I must keep a low profile when shopping in order to avoid attracting attention from neighbours and people around her who may attack me. Xenophobic attacks on foreign owned shops near my informal settlement are also an inconvenience as I must shop elsewhere which is more costly and affects my budget (Interview Pretoria, June 2019).

Safety also has an impact on how and where this participant keeps their money. She often must keep her money on her or somewhere else with a friend or relative as she cannot keep it at home as anyone can break into her house and take the money. Keeping money on her person is also not safe as she can be easily robbed and lose all the money she has.

Language barriers in accessing financial services are mainly faced by the undocumented migrants. For the undocumented migrants however, language is a major challenge. Some are hesitant to make use of services such as Mukuru as they cannot communicate with the staff working in retail outlets such as pick n pay where these services are provided. Language also becomes a challenge when trying to make use of alternative financial services provided by locals such as stokvels and loan sharks. Migrants who cannot speak English or any of the local languages are limited to using services provided by fellow Zimbabweans who can speak their mother tongue. One participant explained:

> I wanted to join a savings club, but I could not communicate effectively with the members who were South African as they spoke Sesotho and Setswana and I can only speak Shona and a little bit of English. They tried to explain the rules and conditions of the club to me, but we could not understand each other therefore I decided to just leave it alone. I then looked for a group of Zimbabweans to start a club with that I could communicate with (Interview, Pretoria June 2019).

Thus, language barriers limit the options available to undocumented migrants looking to make use of alternative financial services. However, many facing this challenge often make use of a friend or colleague who acts as a translator enabling them to make use of some of these services.

4.4. Chapter Summary

This chapter focused on Zimbabwean migrants in South Africa and their access and utilisation of financial services. It sought to understand the challenges faced by the Zimbabwean migrant community. The discussion was guided by an assumption that as economic migrants, access to financial services was paramount in their motivation and endeavours. The discussion was also cognisant that not all migrants faced barriers to financial services. It therefore sought to understand which categories of migrants was most affected by lack of access and made an attempt at providing an explanation.

Chapter Five

Alternative Financial Services Available to Migrants in South Africa

5.1. Introduction

In contemporary society access to financial services is essential as it can impact on an individual's economic and social well-being. This is more so for the migrant community that depends on these services for the movement of remittances and other transactions from areas of work to those of origin. This study set out to explore the challenges faced by Zimbabwean migrants in accessing formal financial services in South Africa, and the alternatives available to them to fulfil the need for financial transaction.

The study was guided by certain assumptions. The first is that the majority of Zimbabwean migrants working in South Africa are economic migrants who migrated in search of more economic opportunities. The second is that those migrants have financial responsibilities back home and enjoy contact through the social media, telephone calls, personal visits and remittances (Thebe & Maombera, 2019). These migrants are therefore in constant contact with their places of origin, and as Thebe and Maombera (2019) demonstrated, migrant use their agency to access financial services that are so critical to their existence and survival of others back in Zimbabwe.

Agency is deployed by migrants in finding alternatives financial to their predicament of lack of access to formal financial services in a foreign country. However migrants encounter several challenges in making use of these alternative financial services these are related to costs, trust, losses, delays and access. Therefore it is necessary for migrants to come up with solutions to these challenges so that they can perform their financial transactions with ease. This chapter begins with a general discussion on the migrant agency in dealing with lack of access to formal financial services, the challenges associated with alternative financial services and the solutions to these. This is then followed by an in-depth discussion on the variety of the alternative financial services available to migrants in the following sections. Each of the alternatives services are explored together with the challenges associated with them and the solution to these challenges adopted by migrants. A chapter summary concludes the chapter with a brief outline of the key areas discussed in the chapter.

5.2. Understanding Migrants' Agency and Alternatives Available

Contemporary South Africa is characterised by extreme poverty, high levels of inequality and unemployment, with many migrants being affected by these challenges (Matuku & Kaseke, 2014). They are forced to rely on self-help community-based initiatives as part of their survival strategies (Matuku & Kaseke, 2014). Those without access to financial services, thus must come up with alternative ways to perform their financial transactions. Agency is key in breaking down the barriers to financial services faced by these migrants in South Africa. In their study, Thebe and Maombera (2019) highlighted how migrant mothers in South Africa used their agency to negotiate the added barriers of negotiating the border. In their study, they referred to the art of networking and how migrants fell back on past relationships to move their children across the border.

Zimbabwean migrants are rational individuals who often strive to satisfy and maximise their economic objectives and migration intentions. When faced with barriers, they always seek and find alternatives that work for them. As Thebe (2011) has shown, in moving remittance goods, the '*omalayisha*' system became an alternative means of moving goods across the border.

5.3. Challenges Associated with these Alternative Financial Services

In the previous section, it was shown that despite barriers to mainstream financial services, Zimbabwean migrants in South Africa fall back on available informal alternatives. These services were portrayed as accessible and convenient, and a major refuge for the majority of migrants. However, even though these informal financial services provide an avenue for migrants for transaction while they are in South Africa, they also come with their own problems and challenges for migrants. This section is a discussion of the challenges encountered by Zimbabwean migrants in South Africa when using informal financial services.

5.3.1. Challenges related to costs

Costs emerged as a major aspect in migrant's choice or selection of a financial service. Unfortunately, this challenge is not unique to formal financial services, as making use of informal financial services can be costly too for migrants making use of them. Costs not only determine the options available to migrants when it comes to making use of financial, but they also determine the frequency and the size of the financial transactions migrants can afford. As indicated earlier, migrants are guided by their economic and accumulation objectives and are rational in their decisions. They will often utilise the services where they incur less costs, both in time and money. This section will explore the different costs associated with the informal financial services available to Zimbabwean migrants in South Africa.

5.3.2. Delays, losses and lack of trust resulting in a breach of contract

Like most informal services, most alternative financial services available to the migrant population in South Africa are unregulated and risky. While they are popular and some have a long history in society, there are also unintended challenges and costs. These mainly apply to informal channels of remittances. Yet, remittances form one the most important aspects of an economic migrant's life. The most common problems include, but not limited to delays, losses and lack of trust.

Thus, there are risks and insecurities in most of the channels that are easily accessible and convenient for migrants. While migrants rely heavily on them for moving money into Zimbabwe, they are aware of these risks and use these channels fully aware of them.

5.3.3. Constraints associated with access

Money is often used as a means to conduct transactions, which are central to an individual's life. Whether one opens a bank account or remits the cash, these transactions are conducted for a purpose. Access to these funds becomes key if we are to judge the significance of these activities. While migrants could save and receive their salaries through other people's accounts, this does not come with direct control. It means the migrants, who only has user rights, remains dependent on the benevolence of the account holder. There may be instances where the user may struggle to access the money in the account.

The purpose of this section was to explore and discuss the different challenges associated with making use of informal financial services by migrants. The next section will explore each of the alternative financial services with the challenges associated with making use of them. The challenges will be discussed in depth providing personal accounts from the participants not only to illustrate the challenges they face but the extent to which these challenges affect them. This will be followed by the solutions if there any to these challenges.

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5.4. Alternative financial services

With regards to financial services, a range of alternatives have emerged in response to demand and constraints. These alternatives have a wide range of products and services needed by these migrants. This section will explore the different alternative and informal financial services available to Zimbabwean migrants in South Africa and the products they offer. The preferences of these migrants when it comes to alternatives and informal financial services will also be discussed.

5.4.1 The use of relatives and friends

Relatives and friends are one of the biggest or most common alternatives used by Zimbabwean migrants in South Africa. They are commonly used when they are travelling to Zimbabwe and one wants to send money home. This is convenient as these relatives and friends will be going directly to where the recipients are based. Using relatives to send money to Zimbabwe is also ideal for many as they can be trusted and if a problem arises such as failure to deliver, they can be held accountable and can be easily tracked. Additionally, it is cheaper for migrants to use relatives to send money to Zimbabwe as there are usually no extra costs involved compared to other remittance channels (Thebe, 2011).

In his 2011 study of the 'omalayisha' service, Thebe showed how the system emerged as a practice of 'ukuphathisa', sending remittances with colleagues and neighbours. He also showed how relatives would specifically be called to come to South Africa to collect remittances. What is more important is how he linked the practice to the long practice of 'ukuphathisa' by labour migrants in Bulawayo.

In the study of 16 Zimbabwean migrants that participated in the study, all had once sent financial remittances with friends, relatives and neighbours. The practice cut across different categories, even those in the professional category had sent money with others going to Zimbabwe and they have also taken money for others. For those with motor vehicles, this practice is common every time they travel home. Peter Moyo explained:

> I have done it numerous times for those close to me. Those closer to you know when you are leaving for home and will always give you something to take to people back home. It makes sense for them to do so because people will be looking forward to receiving something once someone arrives from South Africa. So, what you do is to inform everyone closer to you that you will be leaving for home and if they have money to send home, they can give you. This is very convenient because there are no transaction costs and no delays. I also prefer to give money to friends going home (Interview, Pretoria, July 2019).

The recent liquidity crunch in Zimbabwe makes sending money through relatives even more ideal. Due to hyperinflation and price hikes migrants in South Africa need to send money and other goods more regularly than before. Thus, sending money through relatives is not only quick but it is cost effective as it cuts down costs of using other formal channels such as ecocash and Mukuru as can be realised from the following excerpt from an interview:

> These days I prefer to send remittances through friends and relatives. The liquidity crunch in Zimbabwe has resulted in an increase in the frequency in which I send money and groceries to Zimbabwe. Thus, by sending money to through friends and relatives I not only cut down on costs of sending money home,
> …but my family receives the full amount I would have sent in the same currency (Interview, Pretoria, June 2019).

Therefore, sending money through relatives is not only cost effective and efficient but it also maintains the value of the remittances sent, making it an ideal option for migrants. Like in the case of rural urban labour migrants sending remittances and letter to the loved ones in rural areas, there is some form of expectations. When a neighbour arrives from Johannesburg, neighbours with migrant children expect to receive something from their members, or to hear how they are doing. 'It is an expectation, and all neighbours come to greet you and ask about their loved ones', I was told.

Another way in which relatives can be used is for loans and savings. Migrants with no access to formal financial services or those who cannot qualify for loans from banks can always fall back on their relatives for access to these services. One of the most popular strategies used is to ask a relative with the necessary documentation to open a bank account, which the undocumented relative can use for wages and other financial services. As Bloch (2010) argued, certain industrial sectors like hospitality and construction employ migrants even without relevant documentation. These migrants cannot qualify for bank accounts, and often fall back on relatives who open bank accounts, which they use for their wages. Eight of the migrants agreed that they were using bank accounts belonging to relatives for their salaries. They also confirmed that they are often encouraged to do so by their employers who do not want to pay cash.

Eric Mhango, for example, worked as a waiter in one of the hospitality chains in Pretoria. He has been in the hospitality industry since 2011, but does not have relevant documentation (work permit or an identity card). He is paid in tips and salary, which are deposited into a bank account. When he was offered employment, the manager told him to get a bank account so that his salary can be deposited at the end of the month. He approached his sister who has a ZSP permit for assistance. His sister opened an account at Capitec Bank in her name and gave him the card to use. He has been using this account since. When he wants to do transactions that involve documentation, he always asks his sister to do them for him.

Similarly, Miriam Dzingai, who is 35 years old and married to a Zimbabwean man who has a work permit, has been using her husband's bank account for her wages. She says that the account has never given her any problems since she is the one who handles household's accounts. Her bosses at work have never asked her why she is using her husband's bank account. 'All they want is an official bank account that they can use. They never ask whose account it is. At the end of the month, they deposit your salary and that is it', she explained.

Migrants that do not qualify for bank loans can also borrow money from close associates. The advantage is that such transactions are negotiable, and sometimes they do not attract any interest. These transactions are based on social relations and are mostly reciprocal. Migrants develop a circle of friends that assist each other. These may be siblings, close friends, and other relatives. Over half of the participants have used this facility. They have either borrowed or lent money to others in need during their stay in South Africa. In fact, migrants expressed their preference for this strategy since these are more than transaction; they represent trust and define a certain type of relationship. One of the migrants explained:

> It is easier for me to borrow money from my brother as there is a level of trust that is established based on being family than borrowing from a stranger. I can negotiate with him to pay back the loan when I am able to and there are no extra costs involved. Many times, I will be in a desperate situation and my brother is always willing to help as he understands my situation (Interview, Pretoria, June 2019).

Thus, relatives and friends can be a source of cheap and flexible loans for migrants with no access to formal financial services, while they also can fall back on these in times of need. Lastly, relatives and friends can also act as a source of savings through associations such as the stokvels, where financial resources are pooled together and participating migrants can receive periodic pay-outs from the stokvel. This has become a popular strategy to accumulate, save and invest, especially for people that cannot save in banks.

5.4.1.1.Challenges

5.4.1.1.1. Costs associated with remitting through relatives and friends

Remitting through relatives and friends proved to be no better in terms of costs. They also are a major drain. Some migrants said they transport these relative from Zimbabwe for them to collect remittances, which is often a safer but costly option. If migrants opt to use relatives or friends that are travelling home from South Africa, they still have to give money as a token of appreciation. One migrant observed:

> …. these amounts are not fixed but tend to be higher. You cannot give someone who is helping you with your remittances, a R100 note. You end up paying more than when you use formal services. They also expect payment for performing this favour Some may not ask, but it is human to appreciate what they are doing. Remember they have also committed money to travel home, and you cannot be seen to be free riding (Interview, Pretoria, July 2019).

Paying relatives who have agreed to take money home for migrants is also a safeguard against money not reaching its destination. These relatives and friends are also human and as with all humans, complications may arise resulting in money being lost. Sandra, for example, lost R1000 that she had sent with her aunt, who said she was mugged when she got to Harare. Similarly, Mary also lost money when a distant relative used it to bribe officials at the border post. She blamed herself, ‘if only I had given her money, the money I sent was going to reach home’.

5.4.1.1.2. Delays, losses and lack of trust resulting in breach of contract

The incidents narrated above can also affect the relationships and trust migrants have as relatives and friends have often lost the money they were taking home from South Africa either in South Africa or in Zimbabwe. Ranganai, one of the migrants narrated a situation where his uncle who was travelling to Zimbabwe was attacked and robbed of all money at the Johannesburg Park Station. He remembered:

> I withdrew money from the ATM inside the Park Station and gave my uncle money that he was supposed to take home. Someone may have seen me giving the money to my uncle. They followed the bus he was travelling in, and on the highway, they stopped the bus pretending to be police officers. They approached

> my uncle and robbed him all the money, and proceeded to rob other passengers (Interview, Pretoria, July 2019).

However, some relatives entrusted with remittances may be dishonest and untrustworthy and may fail to honour the arrangements. These cases are rare, but not uncommon. Lizzy, one of the migrants with children attending school in Zimbabwe, told of how her own uncle whom she had given money to take to her children to pay school fees, converted some of the money to his own use. She remembered:

> I had also asked him to buy some grocery items. While he brought the grocery, he inflated the prices and took part of the school fees money. The final amount delivered could not cover the school fees and the children were sent away from school. This has strained the relationship and I still do not talk to him. I see him as an untrustworthy person, who can use money that he knew had a purpose without consulting me first. I also resent him. I have still not confronted him since culture forbids us to confront elders (Interview, Pretoria, July 2019).

5.4.1.1.3. Constraints related to access

A large majority of Zimbabweans are using special permits, which are renewable. This means that migrants that use other people's bank accounts that are opened using special permits. South African banks suspend bank accounts or cards once these permits expire. Accounts holders however can access money from the bank counter by producing required documentation.

This means that migrants using other people's bank accounts cannot access money without the physical presence of the account holders. Alan, for example, was using his brother-in-law's bank account for his salary. The brother-in-law was employed by a logistics company that operates long distance trucks and mostly spent most of the time outside the country. In 2017, his brother-in-law's permit expired and had to be renewed. The bank froze the account and Alan could not withdraw money from the ATM. He could not access the money from the bank counter either since he was not the account holder. Only his brother-in-law could withdraw money for him. But his brother-in-law was in the DRC for two months, which left him financially stranded. He also was left without access after his bank card was lost during one of his brother-in-law's long away trips. He could not apply for a new card for him, so he stayed with access to his account for two months until his return.

Using Zimbabwean Bank accounts to supplement income is also problematic for many Zimbabwean migrants such as recent graduates still needing support from home in South Africa. Foreign currency shortages in Zimbabwe have made accessing money from a Zimbabwean account outside of the country a complicated process. One participant explained:

> When these shortages began many banks such as Standard Chartered, EcoBank and Steward Bank among many others introduced a withdrawal limit of R500 and R500 for electronic transactions. This not only meant that one had to make multiple withdrawals in order to get all their money but also, they incurred huge costs ranging from R40 - R50 per withdrawal charged by the South African banks in addition to a $5 fee charged by their own bank. As the foreign currency shortages worsened so did the withdrawal limits. Standard Chartered reduced its limits from R 500 a day to R 300 to only R300 electronic transfer and then nothing at all at the end of 2018. We then had to apply to use the bank cards outside Zimbabwe, with permission only being granted in special cases that were deemed necessary or urgent (Interview, Pretoria, June 2019).

Additionally, customers now had to deposit hard currency i.e. US Dollars in order to be able to use their cards outside the country. This was not only problematic as the customers initial savings were now converted to RTGS currency but also US Dollars are not easy to obtain with most having to buy them on the black market at inflated rates. Migrants in South Africa who wanted to use their Standard Chartered accounts therefore needed someone in Zimbabwe to get US Dollars for them and then deposit them which is not always possible especially for those who are the breadwinners and must support their families back home instead. Therefore, using money from a Zimbabwean bank account as an alternative source for financial services has proven to be problematic for many migrants in South Africa as access to funds is now restricted.

5.4.1.1.4. Sharing Bank accounts

The issue of trust also emerged as a problem for migrants outside the informal financial remittance system. While migrants may circumvent barriers in accessing bank accounts by using accounts of others for salaries and savings, this avenue has its own challenges. The issue raised by migrants was that the bank account is in the name of the other person and this person is the only person who can deal with the bank. Your rights are only limited to use through withdrawals from ATMs and purchases in shops. The account holder remains with unrestricted control of the account and can divert the funds to his or her own use. Thus, the user is at the mercy of the account holder.

Such a relationship is dependent on trust and the integrity of account holder. Trust becomes paramount, and this was acknowledged by those involved:

> I have realised the importance of trust and transparency when it comes to using someone else's bank account. I currently use my friend's account. She opened the account for me and gave me the cards, but I know she still can have access to the account if she wants since she can use her identity card. While I am using the account, she can also have access to funds without my consent. I am not a signatory to the account…the account is hers, but the funds are mine. This is a difficult situation and it requires trust. Fortunately, my friend is a person of integrity, we have been friends since young age, and she brought me to Johannesburg. I have never experienced any challenges (Interview, Pretoria, June 2019).

The migrants told of incidents where account holders would withdraw money from accounts before the users have withdrawn their salaries. One migrant knew of a man who worked as a security officer, using a friends' documents and bank accounts, who had to change his bank account because his friend would withdraw money every month when salaries are paid. The security officer had to approach his immediate relative to open an account for him to use for his salary. There were also other issues that were raised by those involved including the difficulties faced when certain changes that relate to the account have to be made in the bank, which will require the account holder to process them.

5.4.1.2. Solutions to the challenges associated with the use of relatives and friends

Problems can also arise from using relatives and friends as an alternative source for finance and financial transactions. Effective communication is key in avoiding many problems when it comes to money. One participant mentioned the importance of effective communication when borrowing money from relatives and friends as this can potentially destroy your relationship with them. Communication is good for setting terms and conditions for borrowing and for setting boundaries in order to ensure that no one is taken advantage of. It is also important to pick the relative or friend wisely when borrowing, lending or sending money to Zimbabwe.

The person must be trustworthy and reasonable in order to avoid any unnecessary problems and to resolve issues amicably when they arise. One participant mentioned that her uncle used some of the money she had given him to take to Zimbabwe for her parents and did not tell her beforehand. She felt cheated but also could not confront him as he was an elder and one cannot confront their elders in her tradition. She wished that she had given the money to someone more reliable and who she could hold accountable or confront in such a situation. Another way of solving the problems of that arise from dealing with relatives is that of paying them a small token of appreciation whether its borrowing or sending money to Zimbabwe. This is not only an incentive for the relatives to help you out with no hesitation but also helps in maintaining a good relationship with them.

Using someone else's bank account requires a lot of trust, communication, patience and understanding. The owner of the bank account has to be trustworthy in order to avoid the issue of money disappearing or them using your money without your consent. This can also be avoided by the owner of the account having little to no access to funds i.e. bank cards, emails and phone numbers. Thus, when opening the bank account one can opt to use the owners name but have their own contact details listed under the account instead of those of the owner. This will ensure that the owner can only access the account by going to the bank and the other party will have full access to the account.

This again requires good communication and trust. Another issue is that of freezing or locking of accounts when the owner must physically present for the problems to be solved. To make this process easier many migrants choose to use someone who, lives close to them for easy access and someone who is also understanding for those times when they must go to the bank and unlock the accounts which may be an inconvenience to them. Another way of avoiding problems of freezing or locking of accounts is choosing banks and accounts that have less strict requirements. One participant noted that she was using her sisters' FNB student account which is not frozen at the end of every year and has reasonable charges.

Many of the migrants that were using their savings stored in Zimbabwean bank accounts to supplement their income no longer have access to them. Some managed to apply for access outside the country but they are still facing challenges with withdrawal limits. Those that haven't managed to have opted to give their bank cards to their family members back home to make use of them instead. Lack of access to these savings has also resulted in many having to cut down on their spending as they no longer have the funds to supplement some of their expenses. One of the participants mentioned that she had to stop her DSTV subscription as she could no longer afford it due to limited income as a result of lack of access to her savings.

5.4.2. Stokvels/Saving Clubs

Stokvels or saving clubs are also another form of alternative financial services for many Zimbabwean migrants in South Africa. These are credit unions in which a group of people contribute a fixed amount of money to a common pool either weekly fortnightly or monthly (Schoeman Louw, 2018). They are key in alleviating poverty and have been practiced for many years in South Africa (Matuku & Kaseke, 2014). These allow migrants to establish savings or credit with a group of individuals.

These usually consist of relatives, friends or acquaintances with each member contributing a certain amount of money each month or at certain time intervals depending on the agreement of the group. One person then receives the lump sum paid on a rotational basis once a month or the agreed time and the cycle continues until members have received the money. This is convenient if one wants to save a huge amount of money as it enforces discipline and accountability. It is also useful in emergency situations as money is readily available. An example of this are the burial societies that function as stokvels and assist with burial costs when family members or they themselves die (Schoeman Louw, 2018). Another advantage is that most times when people join or form a savings club, they usually choose members they are well acquainted with.

Lastly, all members are equal and contribute to setting the terms and general rules for the club. Thus, saving clubs or stokvels are useful as they provide credit and savings opportunities for migrants at their own terms. In the study, 6 participants were members of a stokvel in South Africa. Of these, 3 participants had joined more than one stokvel, while 1 participant had both a grocery and rotational income payment stokvels. 2 participants had both a work-based stokvel and stokvel with friends and relatives. Nyasha Musandu, for example, joined a stokvel with her friends from church for the purpose of saving money for her son's school fees. She says the stokvel was of great benefit to her as seen from the excerpt below:

> I used to struggle with paying my son's school fees especially at the beginning of the year after the festive season. Joining a stokvel not only helped in saving up for my son's fees but managing my finances better. Each member is required to pay R500 a month meaning at the end of the year one would have contributed R6 000 which is enough for my son's school fees. By joining the stokvel, I have managed to save up for my son's school fees way ahead of time meaning I will not have to borrow money from anyone or must come up with the full amount at once (Interview, Pretoria, June 2019).

Others use stokvels as a way of saving money. It is very convenient for those working individuals without bank accounts as it provides a saving route. Once they are paid, they put money towards the stokvel contribution or pay a certain amount to an individual, whose turn it is to receive money. That way, they rid themselves of the burden of worrying about where they should keep the money. When it is finally their turn to receive money, they would have an investment plan. Esther, for example, says she has been able to buy her household furniture through her stokvels. She is a member of three stokvels, one at work, one at church and another with friends. When they share the proceeds from the church stokvel at the end of the year, she always invests on bigger projects like household furniture, and she would use her receipts from the other stokvels to cover every day needs like school fees and remittances.

5.4.2.1.Challenges

5.4.2.1.1. Lack of trust associated with Stokvels

Saving clubs/ Stokvels can be problematic for several reasons. The first issue is that of trust since stokvels require all members to be trustworthy and reliable especially when it comes to handling finances. They run the risk of someone stealing the money contributed by members (Schoeman Louw, 2018). There has to be an agreement on several issues which may create conflict among the members (Schoeman Louw, 2018). The first issue is the agreement on the contributions or fixed amount each member has to pay and when it has to be paid. Stokvels also need some sort of guarantee that no one will pull out midway, as this will affect the amount of money each member will get. This also means that one cannot pull out at any time and must wait until it is their turn to get the money to be able to pull out. However, if one does decide to pull out, they cannot collect their lump sum thus they would have lost all the money they would have invested in the stokvel.

This was one of the challenges highlighted by 8 of the participants that one is not held hostage in a way and cannot leave when they want to. Nyasha Musandu captured the situation:

> I had been in a stokvel for seven months and I wanted to leave after I had received my pay-out at the end of the cycle. However, I was told that if I left, I would not be able to receive my money as it would affect the pool of money collected. Therefore, if I wanted to collect the money I would have to stay. I decided to walk away as I felt that my interests were not being served and the money, I had been contributing was not accumulating any interest and I could have saved it myself without the help of other people. Thus, if I had

stayed, I would lose more so it was better to pull out earlier than later when I would have invested more money. (Interview, Pretoria, June 2019).

Thus, the lack of interest accumulation and the obligation to stay make stokvels undesirable. Another challenge that comes from stokvels is the amount of time it takes for one to receive the money. One must wait until their turn to receive the money collected which is not ideal when one needs money for emergencies. Stokvels can also fail to meet the financial needs of the members depending on how much each member contributes thus one might not get total satisfaction from joining a stokvel (Schoeman Louw, 2018).

5.4.2.2. Solutions to challenges associated with Stokvels

In order to avoid the problems that come with being part of a stokvel or saving club migrants have adopted several strategies. The first is keeping the number of people in the stokvel very small, limiting it to four or five members at most. This not only ensures that members are paid quickly compared to larger groups but also makes it easier to keep track of all payments and members. In order to build trust some have opted to be in stokvels with people that they know well or are close to them. Here again having a small close knot group helps in establish strong relationships that are based on trust and accountability.

These can be family members, relatives or close friends. One participant also mentioned that having a small group helps in setting the rules for the stokvel and managing conflicts or other issues when they arise as there are less voices and opinions to be heard. This also makes it easier for decision making. Thus, Zimbabwean migrants in South Africa limit the number of people in their stokvels for more efficient management, transparency and accountability avoiding the problems that come with being large stokvel.

5.4.3. Bus courier

Buses are not only used to send goods to Zimbabwe but can also be used as a financial remittance channel by migrants. They can send the money by itself or together with groceries depending on what they want exactly. There are many bus operators willing to provide this service such as Eagle Liner, Citiliner, Shumba Logistics among many others. Migrants just need to choose which bus suits them best and negotiate with the bus crew. The only difference between sending money with bus crews than relatives is that one has to pay a certain fee for the service. Despite the service fee, buses have become popular with migrants not only as a passenger transport service, but also, remittance service. According to migrants, the service is ideal because it bridges the geographical gap, since some of these buses service remote rural communities. They are also highly reliable and have less requirements than formal financial services. One of the migrants explained his choice of the bus service:

> Using the bus courier to send money and groceries home is very convenient for me as the items I would have sent gets delivered right at my family's doorstep in the village in Gokwe. This saves my mother an extra trip to the nearest town to collect whatever I would have sent using services such as the Western Union or HomeLink for example. Furthermore, sending money by bus is way cheaper than sending it through the bank and they do not need any documents which are required by other formal financial services (Interview, Pretoria, July 2019).

Another advantage mentioned was that buses work according to a time schedule. Therefore, participants will have an idea of when the money will be delivered and can keep track of the bus through contacting the driver for example. Thus, buses help to break down the barriers to financial services for many Zimbabwean migrants who cannot access mainstream financial services by providing a remittance channel between them and their families in Zimbabwe. A large majority of participating migrants use the bus to remit money to their homes. Money has been a common commodity transported across to Zimbabwe since the country's financial crunch. As Thebe and Maombera (2019) showed, migrants develop relationships with bus crews and fall back on these relationships during times of need.

Nearly half of the migrants in the sample knew a member of a bus crew and often utilised their services. Those that have no relationship with bus crews knew at least someone who knew a crew member and used this as a reference if they want to money home. Takudzwa Denhere explained:

> I have become acquainted with a number of bus crews that I regularly use to send remittances to Zimbabwe. They cover several routes and I have referred a number of them to my colleagues and family members on a number of occasions. I have noticed that people are more comfortable using bus crews if they have been referred to them by someone they know. Thus, those that have no relationship with bus crews are less reluctant to use their services when they are referred to them by someone they know.

(Interview, Pretoria, June 2019).

Such relationships become helpful during times of need, particularly when there are emergencies or when migrants need to send school fees for their children. It is common for migrants to phone around looking for a reliable bus crew from acquaintances. Takudzwa Denhere explained:

> On three occasions, I experienced such situations with three families that needed to send money home. In one case, there was a funeral; in another a family member had a breakdown on the other side of the border and needed money to be sent by bus; and the last one wanted to send money for school fees for her children. While these families knew some crew members, these were not readily available, and they had to find alternative. They then inquired from acquaintances about reliable bus crews that can deliver the money for them. I then referred them to some of the bus crews I had used before and would recommend.
> (Interview, Pretoria, July 2019).

Therefore, bus crews not only provide a reliable remittance channel but are convenient especially in times of emergencies as they have no formal requirements. Referrals are also key in this service being reliable as they attract new clients and maintain the confidence of regular clients.

5.4.3.1. Challenges associated with using the cross-border bus service

5.4.3.1.1. Costs

Bus couriers can be a costly alternative for many migrants. The bus service is a commercial service, which although offering a convenient service, operate fixed prices. This means that sending financial remittances by bus also comes at a cost. It emerged from the study that bus crews often charge steep fees when one wants to send money to Zimbabwe or other goods. Migrants talked of fees of between 10 and 15 percent, which are charged by bus crews for transporting money. This service fee can be considered a major leakage for an economic migrant, who would prefer to save as much money as possible. One of the migrants complained:

> You pay a standard charge of R100 for every R1000 that is remitted. This is a lot of money because one finds himself paying extra for remitting a certain amount of money. This extra would have gone a long way

> in solving problems back home, but it goes to the driver's pocket. I wonder what they charge because money does not occupy space, it stays in the driver's pocket (Interview, Pretoria, July 2019).

To avoid paying the service fee for the monetary packages, migrants would often stuff the money in goods and pay for the goods parcel, which was often cheaper. However, this also came with risks since it is difficulty to account for such money. Migrants told of situations where such packages are opened and the money disappearing without trace. 'Once that happens, you cannot ask the bus crew because the money was not declared and they do not have any responsibility', he reasoned.

5.4.3.1.2. Delays, losses and lack of trust resulting in a breach of contract

Border delays emerged as a major challenge faced by many migrants using buses and *omalayisha* to send remittances. Depending on the bus used and the time of travel, buses can be delayed at the boarder for extended periods of time. These delays are an inconvenience for the recipients especially when the money is needed urgently. One participant explained:

> I once sent money for funeral expenses to my family during the festive season by bus. Due to it being a peak period the bus was delayed for 24 hours at the border. This inconvenienced my family as they could not proceed with funeral arrangements without the money needed. Additionally, they also had to pay the undertaker more money to keep the corpse until the rest of the money arrived. The delays also meant that the funeral lasted longer than necessary increasing the expenses such as food and accommodation for mourners (Interview Pretoria, June 2019).

Another challenge that comes with using buses is the lack of guarantee or insurance that is provided in formal financial systems. Sometimes buses fail to deliver money sent for several reasons such as theft, robberies and accidents. Migrants told of incidents where Zimbabwe bound buses have been waylaid by robbers and robbed of all the cash. In these instances, people that had sent money through bus crews lost out since these robberies target all bus occupants. In such instances it has been difficult to get refunds since these arrangements are outside the formal travel system, which is covered by insurance. As one the migrants reminded us:

> The arrangement is between the sender and either the driver or the conductor. There is no official ticket or receipt that is issued, and more importantly it is a private arrangement that other crew members may not even know. The only other exchange besides the money are the contact numbers – the driver or conductor's

phone numbers, the sender's number and the contact details of the receiving person (Interview, Pretoria, July 2019).

Due to the private nature of these arrangements, remitting migrants can also fall victim to unscrupulous bus crew members, who may defraud them of the money being remitted. These bus crews may decide to divert the money or convert it to their own personal use. One migrant told of a case where a conductor failed to deliver the money that he had sent, despite paying him for the service. The conductor later resigned from the bus company and disappeared without trace. It also happened that she was not the first and only victim. Several other people reported similar cases to the bus company. Unfortunately, the bus company could not refund people their money since there were no records, and they could not hold the company responsible since the arrangements were purely private.

To mitigate against these risks, migrants exercise great care in choosing bus crews to send their remittances. First, they deal with people that they know. These are people they had used their services for a longer period and a relationship of trust has developed. Second, they use the reference system where they use a member a bus crew who comes with good reference from those who have utilised his services.

Migrants would often ask around when they want to send money home. They use their wide networks in South Africa in their search for a reliable and trustworthy driver or conductor. There are plenty of these and migrants have used them to process important documents including passports. These networks would then introduce the migrant to the driver or conductor, and a new relationship may begin.

Migrants also told of a case where other migrants they knew lost both financial and goods remittances in a cross-border bus fire that killed virtually everyone in the bus. These are circumstances beyond one's control and people simple have to accept their losses and moved on. While none of the participating migrants were victims of the accident, they were aware that migrants who lost money in the incident were not compensated.

5.4.3.2. Solutions to challenges associated with using Bus courier services

Three main challenges associated with using buses are delays, trust and failure to deliver/no guarantee. To avoid bus border delays most migrants opt to send their money well in advance before it is needed for their families to receive their money time. Another way of solving this is using buses that are well known and can navigate the boarder effectively to cut down on delays or avoid them completely. The last solution is to avoid sending money and goods during peak times such as public and school holidays as delays are more common during these times.

Next is the issue of lack of trust and delivery which results in a breach of contract. There really is no guarantee when using buses to send money to Zimbabwe thus one must be cautious about which bus they use and who they give money to. Participants noted that they often prefer to make use of a bus that is well known and has a good track record. A good track record is important as it puts customers at ease in terms of safety and a good quality service. Referrals are also important when giving money to bus drivers as this will ensure that the person being given the money is trustworthy, reliable and can be tracked down if they fail to deliver.

Having good negotiating skills is important when it comes to the costs of sending money to Zimbabwe using a bus. Since sending money through buses is not an actual regulated service bus drivers and operators are free to charge migrants whatever amount they want. Thus, in order to reduce charges or costs of sending money this way Zimbabwean migrants need to negotiate with the necessary individuals for them to reduce their prizes or charges. Therefore, it is essential to have good negotiating skills. One needs to negotiate with the bus drivers or operators to drop or reduce their prices. This also sometimes requires paying the person a small fee as an incentive for them to reduce their price.

Another way of dealing with the issue of trust and lack of delivery by Zimbabwean migrants who use buses to send money to Zimbabwe is to hide the money in other goods such as groceries. One participant mentioned that they once sent groceries to Zimbabwe using a bus and to avoid more charges, they decided to hide money in a jar of coffee and then sealed it. Even though this was risky the intended recipients received the parcel in the same condition it had been sent in and the money was still there. Thus, the migrant managed to save some money and their family received the full amount they had been sent.

5.4.4. *Omalayisha* cross-border smugglers

Another informal financial service that is closely related to the cross-border bus service is *omalayisha*, the popular human smugglers of the South African/Zimbabwean border. Like the bus, *omalayisha* can also deliver goods and money to Zimbabwe from South Africa. This has been part of the service they offer since they emerged as a cross-border service in the late 1980s

(Thebe, 2011). Additionally, they can also help in transporting migrants or their families illegally to and from South Africa. The average cost for sending money to Zimbabwe is R20 for every R100 sent (Thebe, 2011). As a service, they are more effective in reaching the most remote locations as they are less formal or are not registered like buses are.

Another advantage is the personalisation of the services rendered. This is due to their socially embedded character, being built on strong social and community relations (Thebe & Mutyatyu, 2017). Most of these operators are well known by the migrants or their families as they operate on a referral basis (Thebe & Mutyatyu, 2017). This allows for the establishment of a good relationship between the migrants and *omalayisha*, one that is based on mutual trust and respect.

Omalayisha can also be easily traced and held accountable as they are well known by the migrants or come from the same area as them. This is most common in rural communities where *omalayisha* are community members and sometimes relatives and members (ibid). Studies have noted that rural migrants prefer the use of *omalayisha* for any cross-border service because of convenience (Thebe, 2011; Thebe and Mutyatyu, 2017). Rural migrants in the study relied on *omalayisha* to remit money. They knew these *omalayisha* from their communities, and four of them were smuggled into South Africa by *omalayisha.* Four were related to *omalayisha*, while there are some who used them because they were the most convenient and saved time and money for people at home who had to travel to the nearest urban centre to access financial remittances.

The transactions are based on trust, and as Thebe and Maombera (2019) observed, trust is earned. It emerged from the study that migrants send money with *omalayisha* they trust. Once money has been given to *umalayisha*, people at home are informed. Trust also is based on the fact that some of these as members of the community who understand the situation at home and can never divert the funds without cause. This does not mean that they have never done so. As Amai Masunda remembered:

> They do, and they have done so in numerous occasions, but these occasions are rare. In most cases they deliver the money intact. There are situations where my malayisha has used the money I sent with him, but he would pay it back. Omalayisha often use the money to bribe police on the road or when they have breakdowns, but I have never experienced a situation where they disappear with the money (Interview, Pretoria, July 2019).

Omalayisha are also used by migrants that face barriers in crossing the border legally. These have to maintain contact with the rural home through remittances. As Thebe (2011) noted, *omalayisha* provide an outlet for these migrants, especially if they are from rural areas. One of the migrants explained her preference for *omalayisha*:

> I like using *omalayisha* as they deliver money and groceries right to my parents' doorstep in the village. If I was to use a bus my parents would need to go to Gweru CBD for them to collect whatever I would have sent. I also like the fact that I know the person that usually takes the parcel to the village personally as we grew up together in the same village. He is very reliable and understanding especially when I am in a desperate situation as he offers me a discount for sending money or groceries which is very helpful.
> (Interview, Pretoria, June 2019).

For rural migrants therefore, *omalayisha* have always provided a remittance channel that is more convenient than any financial service provider. Thebe (2011) has talked of door-to-door convenience, and migrants affirmed to that, observing that 'through *omalayisha,* you avoid travel and you avoid queues and risks of being mugged' (Thebe, 2011).

5.4.4.1.Challenges associated with the use of omalayisha

5.4.4.1.1. Costs

Using *omalayisha* as an alternative financial service can also be problematic due to the costs of sending money to Zimbabwe. Like the bus service, they operate a service and must make profit. Migrants said they pay *omalayisha* for every transaction. Even in situations where they are neighbours, payments were expected even though discounts were made on monetary transactions. However, in general *omalayisha* charged exorbitant prices for moving money. Migrants from urban areas said they paid on average R20 for every R100 that is being sent through their service.

Thus, costs are a major challenge when it comes to making use of informal financial services as they may limit the amount of disposable income available to migrants and their families or the intended recipients. Furthermore, migrants may fall victims to unscrupulous transporters, who may decide to convert money to their own uses. This happened when *umalayisha* experiences breakdowns on the journey, or when they are confronted with law enforcement officers, who are interested in money.

5.4.4.1.2. Delays, losses and lack of trust resulting in a breach of contract and issues of trust.

With *omalayisha*, Thebe (2011) reminds us of the potential pitfalls for people remitting money through the system when he talks of unfulfilled transactions. Unfulfilled transactions often happen when *umalayisha* fails to honour his side of the agreement. This may be due to a number of issues including dishonesty on the part of *umalayisha*. They may fail to deliver money to the intended recipients and disappear without a trace.

Second, may have to do with delays as some of them have to make use of longer routes and may have problems at the border. Third, *omalayisha* also face the challenge of unanticipated costs such as bribes which may result in the driver making use of one's money if they do not have enough money on them meaning recipients will not get the full amount that would have been sent. Additionally, goods can be damaged, short or delivered in a bad condition.

This especially affects those customers that prefer to stuff money in groceries to avoid paying the malayisha charge. Such money may be lost, and it is difficult to trace it because of the long chain within the malayisha process. Along the chain, there are numerous individuals that handle the goods. More importantly, it becomes difficult to hold *umalayisha* accountable for goods that are not declared. The migrants said such situations happen a lot and are embarrassing and can destroy the relationship. However, migrants still do it. Craig, for example, sent goods to Zimbabwe. Together with the goods, he stuffed R2000 in R200 notes into a plastic jar, which he filled with milk powder. He never told his *umalayisha* and paid for the goods. He remembered:

> This was my first time to use umalayisha. I wanted to send money together with groceries, but I did not have enough to pay for the goods and money. I had heard people talking of stuffing money into grains of rice and sending the package home, so I tried my own trick. With all the confidence, I paid for the goods and watched the malayisha leave for Zimbabwe. I informed my family what I have done and to open the jar carefully when the goods finally arrived. However, I got a shock of my life when I was told that the package was open, and several items were missing. Fortunately, the jar was still intact, and my money had arrived safely. But what was going to happen if the milk jar had gone missing, or umalayisha had seen my stuffing (Interview, Pretoria, July 2019).

While migrants have taken risks that leave them vulnerable to loss of their remittances, misdemeanour by *omalayisha* are more popular in situations involving financial remittances. The service is defined by the payment of bribes and *omalayisha* can end up using money they are transporting to bail themselves from police. While they often acknowledge the unauthorised use and clients understand the nature of their operations, this creates delays in the delivery of the money to recipients.

While unauthorised use of money that is accounted for is not a problem because *omalayisha* would often repay, it is often the situations like that of Craig, which are problematic and *omalayisha* cannot be held accountable. Interestingly, I was informed that *omalayisha* know that migrants stuff money in groceries and have developed a tendency of opening suspicious packages and confiscating the money.

5.4.4.2. Solutions to challenges associated with Omalayisha

Omalayisha customers avoid problems of theft and lack of delivery by using a referral system which ensures that the person they are referred is trustworthy with a good record and can be tracked down. Many especially prefer to make use of someone from their hometown not only for tracking purposes but also to foster a good personal relationship with them overtime. Establishing a good relationship governed by kinship relationships and kinship ties also aids in minimizing conflict between the two parties as it developed overtime and has a strong foundation (Thebe, 2011). Some migrants have also resorted to stuffing money in groceries in order to avoid the exorbitant charges for remitting cash through *omalayisha* (Thebe, 2011). Thus, they will only have to pay for the costs of transporting their goods instead of both.

5.5. Semi-formal formal remittance services

These have mushroomed in South Africa following the ‘flood’ of Zimbabwean migrants and increased demand for moving financial remittances. Unlike the cross-border bus service and omalayisha where money has to be moved through the border and can only be accessed upon delivery, these offer instant electronic transactions, where money can be accessed in Zimbabwe within minutes of the transaction in South Africa. Semi-formal remittance services are different from formal remittance services as they require minimum documentation such as a passport which does not have to be valid whilst formal remittance channel have strict documentation requirements such as a valid passport and a permit or visa. Migrants identified two different services. The first and most common service is offered by institutions including Econet, which operates the Ecocash facility and Mukuru, which is operated through a variety of network institutions. The second is the service operated by individuals in South Africa, who receive money in South Africa, issue a reference which the recipient in Zimbabwe can produce at the pick-up point.

The first is more formalised and require some form of registration, while the last is more informal and operated on a walk-in basis. The last service is often operated by individuals who require South African currency to purchase wares for sale in Zimbabwe and have Zimbabwe currency in Zimbabwe, which they can give to a Zimbabwean recipient. This according to migrants is a hassle-free service, with no bureaucratic hurdles. In the words of one migrant, 'you simply walk-in, send the amount you want and pay a service fee' (Interview, Pretoria, July 2019).

For their convenience, individuals operating these services are many, and there are always networks that have used one or another. More importantly, migrants said they preferred these because you are not asked about documentation, and chances that there may be no money on the other side are very slim. One of the migrants reasoned:

> They can never accept your money if they do not have equivalent amount at home. That has never happened to me. I have used this service since I was introduced to it by one of my colleagues at work. It is highly convenient. You can pay the amount now and phone people home to go and collect it. I have seen many people using it now. (Interview, Pretoria, July 2019).

It is interesting that most of the people that used this service were mainly those with relatives in the city. Rural migrants did not utilise this service, mainly because there are no such individuals in rural areas. But, also, we cannot rule out the efficiency of the rural *omalayisha* service. Thebe (2011) applauded their overnight service from South Arica to Zimbabwe. This means remittance recipients do not need to wait a long time before receiving the money remitted.

Migrants had also used the semi-formal services. These were popular before the cash crunch since recipients could readily access cash. While there were numerous of these services in South Africa, and some even employ marketing agents to market their products, here the focus is on two: Ecocash and Mukuru.

5.5.1. The Ecocash facility

This is one of the alternative financial services that have been used by Zimbabwean migrants in South Africa to remit cash to Zimbabwe. Migrants can send money directly to the phones of their families in Zimbabwe, where the recipients can go to ecocash agents scattered across the country to cash out their funds from the account. They can also conduct transactions from their mobile phones depending on their preferences. Initially, this created convenience since recipients did not necessarily need to withdraw their money but could conduct transactions from home. Migrants said they particularly used this facility since ecocash agents were available at most centres in Zimbabwe. It was convenient and in the words of one migrant, 'there is little travelling involved'.

For migrants in South Africa, the ecocash service was less cumbersome than the formal banking system. To use the service, one required just required the phone number of the intended recipient and the service fee. Thus, even migrants with no legal documentation could use it. The ecocash service is also safer as highlighted below:

> I find using ecocash service much easier and more reliable as the money goes directly to the recipient instead of through someone else, which minimises chances of it getting lost or stolen or them not getting the full amount. You use it with confidence and can sleep at night without any worries. This is different with the use of omalayisha and the bus crew, or even the formal financial service where money has to be delivered (Interview, Pretoria, July 2019).

While the ecocash facility has become a popular platform to transfer money for South African based migrants to Zimbabwe, migrants said it turned into a major hurdle during the cash crunch and migrants have started to shun it. In Zimbabwe cash is a scarce resource and sending money through ecocash means that the recipients will not access cash. Migrants said they prefer to send cash since recipients will receive it in hard foreign currency. The study showed that money sent through ecocash facility is often converted to Zimbabwean bond currency. Migrants said they only send money through ecocash if there is no immediate need for cash in Zimbabwe. According to Mary Musandu:

> I often use ecocash to send my daughters money for small things such as school events and parties. This is convenient as the amounts are usually small and they do not necessarily need hard cash. (Interview, Pretoria, July 2019).

Therefore, the ecocash facility is quite useful in situations where cash is not required by the recipients and the amount needed is small.

5.5.1.1. Challenges Associated with Ecocash

5.5.1.1.1. Costs

The charges that come with using ecocash are sometimes too high for migrants, especially when sending large sums of money to Zimbabwe. This affects the amount of money they can send to their families and the money the families received. The Zimbabwean Finance Minister, Mthuli Ncube introduced a 2% tax on all electronic transactions in 2018, and this tax has added the burden on remitting individuals. Thus, ecocash customers must add the 2% tax on top of the pre-existing charges which were 5cents per transaction on all their ecocash transactions which makes it very costly. Many of the participants complained of these charges being too costly for them. Pretty Muchagu explained:

> The 2% tax has resulted in me being charged anything between $20 and $30 when I send money to my family in Zimbabwe. My family is then charged an extra amount when they want to cash out their money. This then means that the money they receive and can make use of is way less than the money I would have sent them (Interview, Pretoria, July2019).

5.5.1.1.2. Exchange rates and Cash Shortages

The currency also emerged as a major area of concern by migrants in South Africa that use ecocash. Migrants send their money in South African Rands, but the recipients are given RTGS at the going exchange rates. Migrants felt this was unfair since the exchange rate in the black market was lucrative, while people that send money through formal financial systems could get money in US dollars or Rands. This was a problem as some payments and bills needed to be paid in foreign currency and the RTGS dollar has less buying power and tended to devalue quickly compared to the rand.

Migrants also complained that the ecocash is very inconveniencing. While it is difficult for recipients to receive hard cash, they cannot track or receive any money when the system is down or offline (Karombo, 2018). Esther, for example, sent money through the system in May

2019 for funeral preparations. The system was down for three days, and the money could not be received until the system was working again.

5.5.1.2. Solutions to challenges associated with Ecocash

There is no thorough solution to the challenges faced by Zimbabwean migrants in South Africa who use ecocash as an alternative financial service. Most issues such as exchange rates, cash and foreign currency shortages are well beyond their control. Many have accepted these challenges as part and parcel of making use of the service with their only other option being using other services such as buses and relatives when they can to avoid these. However, many participants preferred to make use of ecocash due to it being quicker and more direct than most of the other financial services.

5.5.2. The Mukuru facility

The Mukuru facility, like the Ecocash facility, is also a convenient semi-formal alternative when sending remittances to Zimbabwe. Migrants can easily access Mukuru agents at shopping outlets such as Pick n Pay, Game and Spar among many others in South Africa. For small amounts up to R25 000 a month, what is needed is some form of identification such as a passport by the recipient in Zimbabwe. The recipients can then withdraw or cash out the money from any Pick n Pay, Zimpost, ZB Bank and Stanbic bank in Zimbabwe. The migrant said the process is quick and the money can be received immediately after transaction, which makes the service more convenient for many Zimbabwean migrants in South Africa. Peter Moyo explained:

> I like using the Mukuru facility as it safe and convenient. Sending money is not a hustle as the only requirement is a valid passport on my side and an Identity document of the recipient when they come collect the money. Another major incentive with Mukuru is that the recipients receive the money in cash and are not affected by cash shortages (Interview, Pretoria, July 2019).

Thus, Mukuru is a good remittance channel for migrants without adequate documentation and it is convenient, fast and safe.

5.5.2.1. Challenges associated with Mukuru

5.5.2.1.1. Costs

Transaction through the Mukuru service are often affected by exchange rates which make it costly to use. Because exchange rates are ever changing, the money received is less than the money that would have been sent by the migrant from South Africa. This is made worse by the costs of the services provided, which also negatively impact the amount received by the intended recipients. Thus, migrants using Mukuru always must send a little extra money to cover service costs and exchange rates in order to ensure that their families receive the right amount they need. According to one migrant:

> The exchange rate fluctuates throughout the day it starts low in the morning and rises as the day progresses. This makes it difficult to predict or estimate the amount of money that would be received if one does a cash to mobile transaction. This means that one always needs to add an extra a month on top to account for exchange rates and other charges. (Interview, Pretoria, June 2019).

These additional costs appeared not only a major concern, but also, a major hindrance to a migrant community that mainly occupied menial jobs but had heavy financial obligations in their home country. What further exacerbated the costs was that some of the migrants had to make small and numerous transactions since they could not afford to transact large sums due to their meagre incomes.

5.5.2.1.2. Constraints associated with access

Ecocash and Mukuru both have similar challenges especially those related to cash shortages. All the participants had been affected by cash shortages when using Ecocash and Mukuru at some point. Their families would not be able to access the money they would have sent because there would be no cash available at the time of collection. One of the participants Munashe Chimbwino noted that when his family goes to collect cash at different outlets such as pick n pay in Zimbabwe there are times when there is no cash. According to him:

> Whenever there is no cash available at pick n pay my family must wait until cash is available for them to receive the money I would have sent. Sometimes the cash available is not enough thus they would have to make multiple withdrawals in order to get the full amount (Interview, Pretoria, 2019).

Thus, cash shortages may sometimes make informal financial services problematic as the intended recipients of the money will not be able to access it or perform their transactions.

5.5.2.2. Solutions to the challenges associated with Mukuru

Zimbabwean migrants in South Africa making use of ecocash have also just accepted the challenges that come with using Mukuru as problems related to cash shortages and exchange rates are beyond their control. Like ecocash customers, Mukuru customers are willing to bear the costs of making use of the service due to it being fast and are not deterred by the issues of cash shortages and volatile exchange rates.

5.5.3. Cash Crusaders

Cash Crusaders emerged as another alternative financial service used by Zimbabwean migrants who cannot access formal financial services. The main product provided by the chain facility are loans. Migrants said they often resort to the Cash Crusaders facility for what they call ‘small cash’. This is often money for rent and other expenses. The process is quite simple and requires possession of a passport and a valuable possession that should be traded in as collateral for the loan. Migrants said, they would obtain loans by surrendering any of their gadgets as collateral, which they would retain once they paid the loan back.

Migrants would use valuable possessions including refrigerators, lounge suites, beds, stoves, computers, laptops, etc. the risk is generally low if the migrant knows that the loan would be paid back, but some migrants have lost valuables through this system. One migrant remembered a friend who used a refrigerator as collateral for a R1 500 loan. He lost the refrigerator after failing to pay back the loan.

However, migrants expressed their preference for this facility because of lack of strict requirements as those requested by banks. One migrant explained:

> Getting a loan from Cash Crusaders was ideal for me as they only required a passport and no permit or any other documents. I only used my old phone, which I was not using as collateral. Thus, I was not inconvenienced by the transaction. However, the loan that I got was very helpful because my rent was overdue and my landlord was threatening me with eviction (Interview, Pretoria, July 2019).

While the Cash Crusaders facility appears to be more convenient, only a minority of migrant had used it. It would appear that migrants use it only under critical circumstances, and after exhausting all channels. Most migrants in the study had strong social networks, which were very supportive.

5.5.3.1. Challenges associated with Cash Crusaders

5.5.3.1.1. Costs associated with loans from Cash Crusaders

The Cash Crusaders loan facility is a convenient alternative financial service provider when one needs a loan. However, the problem is that the collateral required is way more than the value of the loan. Thus, if one fails to pay back the loan, they lose more than they would have bargained for. One of the migrants noted that these loans are not worthwhile at times and that he would rather go without the loan unless they need it for an emergency. He explained:

> Even though it is easy to get loans from Cash Crusaders in terms of documentation requirements the real challenge comes with the collateral that one must provide before they can be given the loan. When I got a loan from there, I had to give them a phone that was four times the value of the loan I needed which is a bit unfair (Interview, Pretoria, June 2019).

Overcoming challenges

Cash crusaders was another service that was unpopular among the participants. Many migrants opt not to make use of their loans due to the collateral being too much or way more than the value of the loan they need. Participants mentioned that they would rather borrow money from a friend or relative instead as this required less formalities and there was no need for collateral, and they could negotiate their terms of repayment.

5.5.4. Loan Sharks

Loan Sharks are also another option for migrants who cannot access formal financial services. These are usually semi-formal financial services that provide short term high interest loans with many of them not being registered (Aldohni, 2013). A lot of the time these loan transactions are based on verbal agreements between the migrant and the person giving them the loan. The loans granted are usually small and targeted at people in desperate situations such as migrants who cannot access loans from formal lenders. Even though this is an option many migrants choose not to make use of it due to the terms of loan such as interest rates and the implications if one fails to pay back the loan. Additionally, loan sharks make it hard for one to break the cycle of debt, people end up owing way more than they would have borrowed (Haler & Alviti, 1977).

This was not the most popular service for migrants, although some agreed that they had gone that route. Three migrants said they had acquired loans from loan sharks in their communities in the townships. They narrated the challenges of engaging in such transactions and discouraged other from such transactions. One of the migrants cautioned:

> This option leaves you deeply indebted and it is difficult to get out once you are in. the challenge is that it is a very tempting option when you are in financial difficulties because it is easy to get a loan, but it is difficult to fully repay the loan. The interests are too high, and you can spend all your time servicing the loan (Interview, Pretoria, July2019).

Many of the migrants therefore expressed their reluctance in getting loans through this service. It emerged as the least preferred option among the alternative financial services available to migrants and other excluded communities.

5.5.4.1.Costs associated with loans from loan sharks

Loan sharks have less requirements compared to many formal financial services. However, they have extreme interest rates higher than those allowed by the law which can be charged daily until the loan is returned (Aldohni, 2013). This leads to high repayment amounts which may further exacerbate one's financial problems (Nungent, 1941). Many of them do not openly advertise their interest rates but prey on people's desperation (Eubank, 1917; Nungent, 1941). A lot of the time they have complicated payment systems, making it difficult for migrants to estimate or calculate the total amount they owe (Nungent, 1941). This then makes it difficult for migrants to break the cycle of debt as the amount accumulates.

Additionally, loan sharks especially the unregistered ones have serious consequences if one fails to comply with the conditions of the agreement such as the loan repayment deadline. When one fails to pay back their loan on time, they may be subject to physical and psychological harm. In these circumstances loan sharks usually use extreme methods such as beatings, killings or torture in order to get their money back (Mayer, 2012). They can even go to the extent of attacking the family or friends of the debtor in order to prove a point. The person who would have borrowed money from the loan shark can also fail to get protection from local authorities leaving them at the mercy of the loan shark (Eubank, 1917). Thus, using loan sharks as an alternative can have very dangerous consequences for migrants as the costs are not limited to finances or material goods but they go beyond that.

Six of the participants resided in an informal settlement in Pretoria West, where loan sharks were common. They told of how they had witnessed violent attacks by loan sharks on people who would have defaulted. One of the migrants still remembers how his neighbour, a fellow Zimbabwean migrant, was severely punished by a local loan shark, leading to his relocation from the area. Some migrants, especially those who were self-employed, were freely mobile, and used relocation as a strategy to evade loan collectors. Sometimes migrants, who owe loan sharks, would lock themselves in-doors when the collector arrived:

> I have seen people living like hunted rabbits. It is not a good life, but there is relatively little choice. These informal loans have become a way of life. The problem, however, is that once you are in, it is difficult to get out. You repay and borrow. The painful thing is that some of these loan sharks are Zimbabweans, who prey on fellow Zimbabweans (Interview, Pretoria, July 2019).

Non-working migrants were more likely to be indebted to loan sharks than working migrants who had alternative sources of income. The majority of migrant got into debt following emergences. For example, Mai Memory, had to borrow money from a loan shark when her husband was arrested for failing to produce a valid document to the police. The police had demanded a R1000 for his release. He did not have the amount of money, and was referred to a local money lender, who gave her the R1000.

5.5.4.2. Overcoming challenges associated with Loan Sharks

Many of the participants mentioned that loan sharks were an option as an informal financial service. However, they opted not to make use of them no matter how desperate they were due to the consequences that can arise from it. They felt that the extreme methods used to get money back by loan sharks when one fails to pay on time were not worth the trouble and they would rather find other means to survive without the money.

5.5. Chapter Summary

The focus on this chapter was on the informal and alternative financial services available to Zimbabwean migrants who cannot access formal financial services. The chapter began with a discussion of the role of agency in these migrants coming up with and utilising these alternatives. Agency is key in formulating and making use of these alternatives, these migrants used it to break down the various barriers to financial services such as costs and documentation. Each of the services was discussed in depth providing some accounts from the participants in the study. The services included relatives/friends, bus courier, omalayisha, ecocash, Mukuru and stokvels.

Relatives/friends were a popular choice due to the personal relationships migrants had with them creating a level of trust. Trust is important has it enables both parties to hold each other accountable. Stokvels and saving clubs were ideal for short term and long-term loans and credit with all members being equal. Bus crews and *omalayisha* were popular due to them being able to reach remote locations and providing a service at short notice. Semi-formal remittances channels such as Ecocash and Mukuru solved problems of inadequate documentation and created safe platforms for remittances.

Others included loan sharks and cash crusaders which did not have strict requirements in terms of documentation but had harsh repayment terms. The products offered by these services included but were not limited to loans, remittances and savings.

This was then followed by a discussion of the different challenges that arise from using these services. These included costs, theft, damages among many other complications. Whilst relatives and friends had little to no costs, all the other alternatives were costly whether these costs were direct or indirect. For example, ecocash and Mukuru had pre-set cost structures that participants could consider before using the services.

Omalayisha, bus crews, loan sharks and cash crusaders had indirect or changing costs depending on the situation. For example, *Omalayisha* could require more money than the fee charged in order to pay for bribes and other unforeseen costs that could come up during the journey. Loan sharks had no clear set terms of interest and repayment resulting in the costs being unpredictable. Buses face the challenge of thefts and accidents which will result in major losses for the migrants as there is no guarantee for goods and money lost. Lastly Ecocash and Mukuru have constraints associated with access mainly due to unstable exchange rates and cash shortages.

This was then followed by the mechanisms or solutions migrants use to deal with these challenges. Whist some challenges such as conflict and damages could be minimised by ensuring that the channel or person used is trustworthy other unforeseen circumstances such as highway robberies could not be totally avoided. Negotiating skills are important in solving challenges related to costs when using alternatives such as relatives' bus crews and *omalayisha*.

These do not have set payment or cost structures thus migrants are able to negotiate with them to reduce the costs or charges of using the service. In dealing with breach of contract and lack of delivery by *omalayisha* many participants chose to individuals that are well known to them or their colleagues, who could be easily traced and located. Additionally, when using an *omalayisha* migrants have the pay forward option which ensures that customers will only pay for a service once it has been rendered.

Communication is key in solving challenges that arise from stokvels and borrowing from relatives. This allows a proper understanding of the terms and conditions of the service rendered and also reduces the emergence of unnecessary conflict. The same applies for those using someone else's bank account, communication is important together with trust as it promotes accountability from both parties. Cash crusaders and loan sharks are usually a last resort for many migrants when other options have failed or have been exhausted. Even though loan sharks are an option for migrants many agreed that the best solution to the challenges with them is to totally avoid using them no matter the situation.

Overall, migrants have many options to pick from with some services being better than others however each service has its own advantage which makes it a viable option. In the same respect each service has its own challenges which require migrants to take the initiative in order to circumvent disappointments.

Chapter 6

Discussions and Conclusions

6.1. Introduction

This study is about migrants and their access to financial services in South Africa. Using a case study of Zimbabwean migrants in South Africa, it explores the challenges they face in accessing formal financial services and analyses the options available to them. It has traced the migration of Zimbabweans to a long history during early development of capitalism in the region. From this long history, migrants have been driven by an economic motive. Lebert (2010) once talked of a southward trend in the movement of labour in the region, where Malawians would migrate to Zambia, Zambians to Zimbabwe and Zimbabweans to South Africa. Mlambo saw migration, especially from the southern regions of Zimbabwe as a rite of passage, where migration was only meant to be a mechanism for accumulation. Migrants would migrate to South Africa to accumulate income to begin homes and return home with their loot.

The study set out to challenge the narrative of migrants being a vulnerable group, arguing instead, that migrants from Zimbabwe have always deployed their agency to navigate challenges and uncertainties in a foreign country. It set out to explore two rather related themes: firstly, migrants being excluded from the mainstream financial services and secondly, migrants' use of agency to find alternative financial services. This conclusion attempts to pull these themes together in a discussion, and to discuss the policy implication.

6.2. Discussions

There is a general consensus that migrants need access to financial services to conduct transactions that are central to achieving descent life. However, formal financial services are not readily available to migrant, who are either excluded by the systems that are in place, or they exclude themselves from mainstream financial services. This section is a discussion of key thematic areas guiding the study. While the themes have been grouped broadly into two, the discussion focuses on specific subthemes.

6.2.1. Economic migration

South Africa's position on Zimbabwean migrants has always been that since there was no war in Zimbabwe, Zimbabweans that migrate to South Africa were economic migrants that should not qualify for asylum. Indeed, the study has shown that migration to South Africa for many migrants was guided by an economic motive. This supports the neoclassical migration theory, which states that migrants make a rational decision to migrate in order to fully maximise on the economic benefits that come with migration (Kurekova, 2011). Migrants had responsibility back home and needed access to financial services. The decline of the Zimbabwean economy acted as a major push factor for the majority of migrants. They migrated with the hopes of having access to better employment opportunities and education, which would increase their economic situation and that of their family members back home.

Some of the migrants left children and parents back home that they needed to provide for, and thus, constantly send money and groceries to Zimbabwe. In this way one can argue that migration is a decision not only by an individual but by a household or family. The new economics of migration theory states that migration is not an outcome of an individual's decision but the action and decisions made by households and families (Kurekova, 2011). Additionally migrants agreed that anytime a close friend or family member goes back home people back home will be expecting to receive something whether it is groceries or money it is not acceptable for one to go home empty handed showing the extent to which migrants have responsibilities towards their families back home.

Apart from remittances and family responsibilities migrants also have investment back home that they need to maintain such as property and working in South Africa provides a source of funds to maintain these. For those that came as students the main aim was to get better quality higher education with the hopes that holding a South African qualification will make it easier for them to be employed in the country than coming to look for a job with a qualification from back home. However, this is not to say that qualifications from back home are inferior to those from South Africa. There is a perceived advantage in transitioning from being a student in the country to joining the workforce than those coming from outside. Thus, economic opportunities and responsibilities were a major theme that emerged from the study.

6.2.2. Financial exclusion

A lot of the migrants in the study experienced some level of financial exclusion. Two main indicators of financial exclusion that can be used to differentiate the levels of financial exclusion of the migrants in the study are unbanked and underbanked. Some were affected to a greater degree than others due to factors such as documentation, occupation, income and location. The biggest challenge faced by these migrants resulting in them being financially excluded was documentation. Those that had no passport were completely blocked from accessing formal financial services such as banking and semi-formal financial services such as Mukuru. Those with passports and no permits could access semi-formal financial services such as Mukuru and cash crusaders and formal financial services to a limited degree.

These two groups can be placed in the unbaked category as they do not have access to a bank account (Simpson & Buckland, 2009). Those with passports and permits had access to formal financial services but these also had their own limitations with some struggling to secure car loans, home loans and insurance facilities for example. Income and occupation also contributed to financial exclusion as migrants failed to make use of some services such as banking due to the costs associated with these. These migrants fall into the underbanked category as they have limited access to mainstream financial services (Simpson & Buckland, 2009)

A lot of the migrants were low skilled and had limited income at their disposal making financial services too expensive for them. Knowledge contributed to financial exclusion in the sense that some migrants had limited knowledge on the use of the technologies in the financial sector for example ATM's and online banking which resulted in self-exclusion sometimes. Another challenge related to knowledge is that of lack of access to adequate information on the products and services offered by financial institutions in addition to advice on sound financial management. Thus, migrants are sometimes not fully equipped with the necessary knowledge and information on how to effectively use financial services in order to achieve their goals and fulfil their responsibilities.

Lastly location is another barrier that results in financial exclusion. Some of the migrants resided in informal settlements far away from formal financial service providers which meant that they had limited access to the services available. Migrants sometimes have to travel far in order to get to a bank or a Mukuru agent for example thus they would rather make use of informal services which are closer to their places of work and residence. The distance also means that migrants need to spend more on transport which greatly decreases the money they have to spend or send their families.

6.2.3. Migrants use their agency to navigate their financial exclusion

Agency played an important role in migrants accessing financial services especially those that were excluded from the formal sector. Lack of access necessitated the use off several selfhelp strategies for example making use of someone else's bank account. Even though migrants could not have a bank account in their own name they could access banking services by simply using a friend or family member's bank account which allowed them to fulfil their needs whether it was for a job or a safe place to keep their money in.

The use of other informal and semi-formal financial services is also evidence of migrants' agency such as relatives, ecocash, Mukuru, loan sharks and cash crusaders. These allowed migrants to bypass some of the barriers they face in accessing formal financial services especially those related to documentation. With relatives and friends, migrants are also able to negotiate interest rates and repayment terms for loans, whilst with bus crews and omalayisha they can negotiate on the price of the services rendered with all parties involved being held accountable.

Migrants' agency also extends beyond financial services in the study and included the act of migration itself. Migrants, especially those in the irregular category, relied on a network of omalayisha and bus crews to remit their loot. While moving remittances was associated with costs, migrants often found ways, although risky, to circumvent the cost factor. Agency also allows migrants to break distance barriers between them and their families when sending money and groceries home.

Migrants can choose an omalayisha that will reach the most remote locations where their families reside back home which other service providers may not be able to do so. The use of fraudulent documentation is also another example of migrant self-help strategies which they use to achieve their migration intensions. These are useful in securing employment and accommodation and financial services sometimes.

Another way in which migrants make use of agency is targeting specific industries such as the hospitality and farming industries when looking for employment. These do employ foreigners even without proper documentation due to the huge demand for low paid work by foreigners. Thus, agency is important in migrants fulfilling their migration intensions by not only enabling them to break down the barriers to financial services but also fulfil the responsibilities they have towards their families.

6.2.4. Migrants fall back on social networks

Social networks are also another theme that emerged from the study. Like agency social networks also play a key role in migrants achieving their goals and fulfilling their responsibilities. Migrants relied on social networks from the time when they were still in Zimbabwe before coming to South Africa. They needed information concerning jobs and accommodation in South Africa. Furthermore, social networks in the also assist in facilitating one's move from Zimbabwe to South Africa. Some of the participants came to South Africa with the help of an omalayisha organised by a friend or a family member known to them.

Omalayisha helped in transporting them from their home, smuggling them across the border and uniting them with their family members in South Africa. Upon arrival, social networks played an instrumental role in migrants finding jobs, accommodation, meeting other people and constant support whether social and/or financial. Social networks also served as a source for loans, remittances among many other things with migrants being able to borrow money from friends and relatives and send money home through their social connections. Therefore, social networks are key in migrants accessing financial services and fulfilling their other intensions and responsibilities upon migration.

6.2.5. Trust as a determinant in migrants' choices of alternatives

Trust was an important factor that determined the relationship between migrants and financial services. The challenge of trust is two-fold with financial institutions failing to trust migrants and vice versa migrants failing to trust financial institutions. On the part of financial institutions migrants provide a huge risk making it hard for them to serve them. Most migrants do not have credit histories which make it hard for financial service providers to know their track record concerning their finances making them too risky to serve at times. There is a fear that migrants can return to their home countries at any point without repaying loans for example. Thus, migrants are required to meet strict requirements before they have access to services such as loans.

For migrants the financial industry is not be trusted for several reasons. Firstly, they all witness the collapse of the Zimbabwean financial industry twice in a space of ten years in which many people lost their savings with the currency losing its value. Thus, they have a hard time having faith in the South African financial industry as they fear that it may collapse at any time and they will lose their money like what happened in Zimbabwe. Another factor contributing to trust is the cost structure of many financial institutions that some migrants do not always understand leaving them feeling robbed of their money at times thus failing to trust these institutions with their money. The issue of trust is not only limited to the formal sector as migrants face challenges related to trust with informal financial services as well.

Many participants have complained about losing money to relatives, friends, bus crews and omalayisha when sending money home. There have been cases where these have failed to deliver the full amount sent by migrants with a few failings to deliver anything at all resulting in migrants and their families losing out on money that was greatly needed. This is due to the unforeseen circumstances that may arise during the journey to Zimbabwe such as robberies, a need to pay bribes and some such as theft by the person supposed to deliver the money. Thus, migrants rely on their social networks to minimise these losses which can be costly to them and their families.

6.3. Conclusion

This study explored migrants and access to financial services paying particular attention to the alternatives used by Zimbabwean migrants who do not have access to formal financial services in South Africa. The two main assumptions that guided the study were that Zimbabwean migrants in South Africa are economic migrants in search of economic opportunities. The second assumption is that migrants have responsibilities back home and enjoy contact through social media, telephone calls, personal visits and remittances. It has also been illustrated that migrants go through a migration cycle which has different stages and at each stages migrant have specific needs. What is common in all these stages is the need for money by migrants and remittances to sustain their families.

Therefore, financial services are key in achieving their goals and fulfilling their responsibilities towards their families. However not all migrants have access to financial services and those without access to these have to come up with different strategies to access these services. The informal sector serves these migrants who are excluded from the formal sector providing a wide range of services which include remittances, savings and credit. It is also important to note the wide range of actors in this sector from semi-formal institutions such as Mukuru to relatives and friends that provides loans. Social networking thus plays a huge role in migrants navigating both the informal and formal sector as relatives and friends help with information and solving challenges related to access. Even though informal financial services provide a viable alternative they also come with their own challenges related to trust, security and costs which migrants try to solve and minimise as much as possible.

6.4. Policy Implications

The study has consistently raised policy questions about what may have done differently, and whether there are any lessons for the mainstream financial institutions in South Africa and Zimbabwe. Specific policy lessons emerged from the study, and this concluding section offers some observations and recommendations.

6.4.1. Evolution of Zimbabwean migrants in South Africa

There has been a shift in the concentration of Zimbabwean migrants from the mining and farming sectors in the 20th century precipitated by the migrant labour system to other sectors in the 21st century. This illustrates the evolution of Zimbabwean migration, even though it has always been for economic purposes the range and the scale has increased over the years .The Zimbabwean migrant profile is now wider consisting of more professionals and semi-skilled individuals working in a wide range of industries and sectors not limited to the mining and farming sectors as before.

Another area of contention is the fact that many migrants are past the period where they can apply for permanent residence but cannot do so due to the limitations of the ZSP permit which does nullifies their qualification for a permanent residence. Introducing a more stable project for permits would benefit both the government and migrants in terms of monitoring and reducing the number of illegal immigrants in the country. Additionally, granting permanent residence to those that have reached the prescribed period would ease pressure on the government in terms of the number of renewal applications and resources used in the process as well.

6.4.2. Migrants provide a viable market for financial services

Zimbabwean migrants in South Africa like many migrants in the west are economic migrants in search of better economic opportunities. For them to have access and fully utilise these opportunities they need financial services whether formal or informal. Despite many of them not being able to provide a credit history their demand for financial services is produces a market for financial services for financial service providers. This is because they participate in financial transactions daily and the financial industry especially the formal sector can benefit a lot from these transactions that are in the form of savings, credit and remittances. This supports the neo classical economic perspective which argues that producers and consumers participate in a mutually beneficial relationship in the financial markets.

There is competition within the formal and informal sectors with those that serve low-income customers having a competitive advantage over their competitors who do not serve low income customers (Simpson & Buckland, 2009). Thus, the migrant market presents huge opportunities for the financial sector which benefit both migrants and service providers also aiding economic growth. Therefore, policy should be directed toward inclusion of financially excluded groups such as migrants who have a lot to contribute to the economy.

Thus, the financial industry could benefit from serving financially excluded migrants through easing the requirements such as documentation on migrants seeking financial services. This will not only reduce the leakages lost to the informal sector but will also promote transparency amongst migrants when using financial services. Additionally, it presents an opportunity for financial service providers to diversify product and service range by coming up with new services and products that specifically cater for migrants needs. This will in turn increase the competitive edge in the financial sector of financial service providers.

6.4.3. Financial regulations

The strict regulations in the financial sector have resulted in many migrants being financially excluded. Migrants from both the regular/documented and irregular/undocumented categories face some sort of financial exclusion though it varies. The undocumented category is completely excluded from the formal financial sector whilst those from the documented category do have access but find themselves in the same predicament as their irregular counterparts when their permits expire while waiting to renew them.

During this period their accounts are frozen meaning they cannot access their money or carry out their financial transactions. It would be better if they were given time to renew their permits without their accounts being frozen as it leaves them stranded. Thus, the regulations need to be adjusted in this area to prevent deserving individuals from being locked out of their accounts.

6.4.4. Need to strengthen the informal financial sector

Informal financial services are the solution to migrants who have been financial excluded from the formal sector. These services have less requirements compared to those in the formal sector and have little to no regulations depending on the specific service provider. However, a lack of strict regulation not only raises security concerns for the migrants themselves as they may not always be protected but it also makes it hard for the government to keep track of what is happening in the sector which may threaten the state as well not just individuals. This leaves room for financial crimes such as money laundering, terrorism and racketeering. The state also loses out on revenue as a lot of these services are not taxed with all the small transactions and services provided amounting to huge amounts which the state could benefit from.

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Appendices

Appendix 1 – Interview Guide

Interview schedule - Zimbabwean Migrants and Access to financial services

1. Do Zimbabwean migrants in South Africa face similar challenges in accessing formal financial services to those faced by migrants in the west as described in the literature?
    - Talk about the challenges you face when in need of financial services?
    - What would you say are the sources of these challenges?
    - Have you faced challenges related to language, documentation, location and trust?
2. Which categories of Zimbabwean migrants are mostly affected by the aforementioned challenges?
    - Are the challenges related to your legal status in South Africa?
    - In your opinion, do you think South African face similar challenges when accessing financial services?
    - Have any of your colleagues, acquaintances, relatives faced similar challenges?
3. In the absence of opportunities to access mainstream financial services, what are the informal financial services available and mostly utilised by migrants in South Africa?
    - Which informal financial services do you know of that can be used by migrants?
    - Have you used these services yourself?
    - What are the different products offered by these services?
    - Which informal services do you prefer to make use of and why?
4. What challenges arise from using these alternative financial services?
- Which alternative financial services do you find problematic?
- What challenges arise from using these?
- Where do these challenges stem from? Can we talk about your experience with these services?
- How do you deal with these challenges?

Appendix 2- Informed Consent Form

UNIVERSITEIT VAN PRETORIA
UNIVERSITY OF PRETORIA
YUNIBESITHI YA PRETORIA

Faculty of Humanities

Department of Anthropology and Archaeology

Our Ref: Beverly Chauke
u14189845@tuks.co.za Cellphone:0840151010

Informed Consent Form

Migrants and Access to Financial Services:
Exploring alternative financial services available to Zimbabwean migrants who have no access to formal financial services in South Africa

Dear participant,
You are hereby invited to participate in a study that is carried out as part of a master's in development studies programme by Miss Beverly Chauke, a student at the University of Pretoria. The study will assist the researcher in understanding the challenges to access to financial services by Zimbabwean Migrants in South Africa. Please take time to read through this letter as it gives information on the study and your rights as a participant.

Title of the Study

Migrants and Access to Financial Services: *Exploring alternative financial services available to Zimbabwean migrants who have no access to formal financial services in South Africa*

What will happen in the study?
The interviewer who will be the researcher will sit down with you for an interview. The interviewer will gather your views on the alternative financial services available to Zimbabwean migrants who cannot access formal financial services. The interview will take about an hour of your time and I will be writing down your answers to the interview questions. You can choose to have the interview in English or Shona, I am fluent in both languages thus there will be no need for a translator.

Risks and discomforts
There are no foreseeable risks or harm to you as an individual for participating in the interview process.

University of Pretoria, Private Bag X20
Hatfield 0028, South Africa Tel
+27 (0)12 420 4661 Fax
+27(0)86 542 9204 Email
innocent.pikirayi@up.ac.za
www.up.ac.za
Room 8-15, Level 8, Humanities Building

Are there any benefits for joining the study?
Your participation is purely voluntary, and you will not receive any payments in money or gifts for your participation. Your participation will assist in our understanding of the plight of migrants in South Africa and may benefit migrants in terms of policy or other monetary strategies if the publication of the results manages to inform policy debates.

Participants' rights
You may decide against participation in the study, to withdraw from the study or opt not to answer certain question without ant prejudice or negative consequences to your person.

Confidentiality

Your personal information will be kept confidential at all times and will not be shared. A pseudonym will be used for the purpose of the master's dissertation and any scientific papers. All data and interview scripts will be stored in hard and electronic copy at the Dept. of Anthropology and Archaeology or a minimum of 15 years."

Any questions?
If you have any questions or would want me to explain anything further, you are welcome to phone or text me on 0840151010. You can also send me an email on the following address: u14189845@tuks.co.za

CONSENT DECLARATION

I ______________________ (the undersigned) agree to participate in Masters research project of Miss Beverly Chauke (Student Number 14189845) at the University of Pretoria.

_______________________   _______________

Signature of Participant   Date

_______________________   _______________

Signature of Researcher   Date

Appendix 3- Informed Consent Form Extended Interactions

UNIVERSITEIT VAN PRETORIA
UNIVERSITY OF PRETORIA
YUNIBESITHI YA PRETORIA

Faculty of Humanities

Department of Anthropology and Archaeology

Our Ref; Beverly Chauke
U14189845@tuks.co.za
Cellphone:0840151010

Informed Consent Form – Extended Interactions

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Exploring alternative financial services available to Zimbabwean migrants who have no access to formal financial services in South Africa

Dear participant,

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Title of the Study

Migrants and Access to Financial Services: *Exploring alternative financial services available to Zimbabwean migrants who have no access to formal financial services in South Africa*

What will happen in the study?

The researcher will interact with you and make some observations for a period of two weeks. The interviewer will gather your views on the alternative financial services available to Zimbabwean migrants who cannot access formal financial services whilst observing your financial practices. The extended interactions will not have set times or duration but will be agreed on by the researcher and yourself according to your availability. I will mostly be observing your interactions with financial services through your financial practices in general and may ask some questions if the need arises. These interactions will require the researcher to invade your social spaces such as your home or anywhere where financial practices and transactions occur such as shopping malls, with your permission.

Risks and discomforts

There are no foreseeable risks or harm to you as an individual for participating in this extended interaction process.

Are there any benefits for joining the study?
Your participation is purely voluntary, and you will not receive any payments in money or gifts for your participation. Your participation will assist in our understanding of the plight of migrants in South Africa and may benefit migrants in terms of policy or other monetary strategies if the publication of the results manages to inform policy debates.

Participants' rights
You may decide against participation in the study, to withdraw from the study or opt not to answer certain question without ant prejudice or negative consequences to your person.

Confidentiality
Your personal information will be kept confidential at all times and will not be shared. A pseudonym will be used for the purpose of the master's dissertation and any scientific papers. All data and interview scripts will be stored in hard and electronic copy at the Dept. of Anthropology and Archaeology for a minimum of 15 years.

Any questions?
If you have any questions or would want me to explain anything further, you are welcome to phone or text me on 0840151010. You can also send me an email on the following address: u14189845@tuks.co.za

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I ______________________ (the undersigned) agree to participate in Masters research project of Miss Beverly Chauke (Student Number 14189845) at the University of Pretoria.

_______________________ _______________

Signature of Participant Date

_______________________ _______________

Signature of Researcher Date